UNIVERSITY OF PENNSYLVANIA

THE FIRST CLASS TOWNSHIP IN PENNSYLVANIA

PHILIP B. WILLAUER

A DISSERTATION

IN POLITICAL SCIENCE

PRESENTED TO THE FACULTY OF THE GRADUATE SCHOOL IN
PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR
THE DEGREE OF DOCTOR OF PHILOSOPHY

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PHILADELPHIA
1935

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PREFACE

The strained financial conditions that have characterized the past few years have accelerated the tendency to reexamine the foundations of our systems of local government. Unfortunately this tendency has been accompanied by too much invective and too little fact finding. The political reformers have bedecked the printed page with glittering generalities concerning the inefficiency, corruptness and obsolescence of our present local governments. The practical politician has not been slow to invoke the patriotic and benign doctrine of "home rule". The taxpayer, with little constructive aid from these sources, has grown more restive under the increasing burden of taxation to which he is subjected.

The objective of this study has been to provide a factual basis for the consideration of proposals looking toward the reorganization of local government. The following chapters present the results of a survey of first class township government in Pennsylvania made under the auspices of the University of Pennsylvania in connection with a general survey of local government in Pennsylvania. These chapters constitute a portion (Part III, Chapters XVI to XXIII inclusive) of the Pennsylvania Local Government Survey embodying the findings of the Survey Staff and published by the American Philosophical Society whose generous support made the survey possible.

The first class township in Pennsylvania occupies a peculiar position in the local governmental system of the state. As a form of local government it was designed for the purpose of administering to the political needs of the part-rural and part-urban areas adjacent to the larger urban centers of the state. This purpose is clearly expressed in the preamble to the act (Act April 28, 1899, P.L 104) creating townships of this class: "Whereas, In those more populous townships of the Commonwealth, which are in a large measure devoted to residential purposes, there is a need of a form of municipal government having greater powers than are now possessed by the local governments ... under existing laws," that, therefore, the legislation was to be enacted.

Two fundamental conclusions may be drawn from the facts presented: (1) There is a genuine need for some form of local government especially adapted to those transitional areas of a semi-urban character adjoining the larger urban and metropolitan regions. (2) The legislation providing for the classifications, creation, consolidation, division, and internal organization of the first class townships is so elastic and permissive in character as to defeat the objective for which this form of government was instituted.

Consequently, one of the most fundamental requisites of any basic reorganization of these governmental units is that of establishing a basis of classification that will restrict this form of government to the semi-urban areas for which it was originally intended. The problem is essentially that of establishing homogeneity within this class of local government in order that remedial legislation may be intelligently applied to the problems peculiar to such areas.

The author wishes to express his appreciation to Dr. James T. Young under whose guidance this study was made and to Dr. Clyde L. King for many valuable criticisms and suggestions in regard to the sections on local finances. He is also greatly indebted to the many state and local officials whose willingness to supply information and to offer observations based upon long experience in office enhanced the pleasure and value of this survey.

Philip B. Willauer

Philadelphia, April 15, 1935.

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CHAPTER I

CREATION AND CORPORATE POWERS

The eight chapters of this survey are devoted to a description of the sixty-one first class townships of the Commonwealth, including their statutory basis and practical operation. The purpose has been to indicate the governmental problems facing these units and the relationship of the Commonwealth to these questions. Some problems arise from simple defects in the statutes governing the township, others from maladjustments growing out of fundamental changes. The latter seem to show a need for greater State supervision.

The data presented were obtained from (a) documentary sources such as the Pennsylvania Constitution and statutes, compilations made by various state departments, and the studies of local government in other states; (b) organizations primarily concerned with the economical operation of government such as the Pennsylvania Economic Council and active taxpayers associations. In several instances these organizations had compilations or uncompiled factual data at hand and generously permitted their use; (c) personal visits to the townships and frequent conferences with local officials. Approximately eighty officials were interviewed in twenty-five townships†: generally the secretary, treasurer, and president of the board of commissioners. In many instances the best source of information was some other official who had seen long service. Unfortunately, complete uniformity of data was not obtainable on some phases of governmental activity, since many of the persons interviewed were unwilling to refer to their accounts or to permit access to them for specific information. At times also, conflicting statements were presented by different officials of the same township. Where verification of such data was not possible, they had to be omitted.

Very few of the officials interviewed proved to be antagonistic, and in only three townships was all co-operation refused. In many places, however, the detailed, definite material required for an accurate report existed only in such form that nothing short of a legislative inquiry could extract it.

Classification Provisions. - What is the purpose of erecting and classifying townships? Do the existence of the present township areas and the present grouping of these units fulfill the purposes of the statutes governing the creation and classification of these local areas? Do the diversities of population, area, taxable resources, and the like defeat the purposes of classification and indicate a need for consolidation, annexation, and reclassification?

The problem here is to make the classification useful. The only reason for classification is to place each group of similar local areas under a form of local government adapted to its needs. The laws providing for the erection, division, consolidation and reestablishment of local areas are intended to permit the people of these areas to roganize and to place themselves as a unit, from time to time, under that form of government peculiarly suitable to their changed conditions. These ends are not now realized. The code provides that first class townships must have a population density of 300 per square mile, but this classification is defeated by optional provisions which place the decision with the voters; moreover, consolidations and annexations leave remnants which must constitute first class townships, even though their conditions do not warrant it. The early laws made township status automatic, based on population only.

Historical Summary - The first class township, like other local govern-

† Upper Darby, Lower Merion, Haverford, Hanover, Mt. Lebanon, Penn, Harrison, Newport, Whitehall, Shaler, South Fayette, Elizabeth, Wilkes-Barre, Baldwin, Swatara, Spring Garden, Jefferson, Tinicum, Reserve, Annville, Nether Providence, West Norriton, Braddock, Leet, and West Lebanon.

Many additional interviews were had with non-official persons such as local newspaper editors, legislators, and local residents.

mental units, is a creature of the state legislature. Originally, townships were established by special acts of the legislature and later by order of the courts (Act of 1834, P.L. 537, Acts of 1857, P.L. 93, P.L. 304). In 1899 townships were first classified (P.L. 104) upon the basis of population density (300 inhabitants or more per square mile) into first and second class townships. All legislation prior to the first class township code provided, with one exception (Section 65, Act of 1917, P.L. 840) which was later amended (Act of 1927, P.L. 336), for the automatic determination of township status upon the basis of population density, and no provision was made for electoral action thereon. In so much as the present code provides for the determination of township status primarily upon the basis of electoral action thereon, it definitely departs from the prior legislation. In view of the fact that such departure weakens the utility of the classification, its soundness is questionable.

The provisions of the code of 1917 were repealed or reenacted in so far as they relate to first class townships by the "First Class Township Law" of June 24, 1931, P.L. 1260, and, in so far as they relate to second class townships by the "Second Class Township Law" of May 1, 1933, P.L. 103. In effect these latter acts set up a code for each of the two classes, thereby superseding the code of 1917 which included both classifications. While these acts do not attempt to include all the legislation on the subject, they are nevertheless a substantial compilation of the important statutes affecting townships.

Code of 1931 - The Act of 1931, hereinafter referred to as the code, provides four methods for the establishment of a first class township: (a) By special enrollment. At any time not less than one year prior to the decennial census of the United States the owners of 25% of the assessed valuation of the real estate may present a petition to the Quarter Sessions, averring that the township has at least 300 inhabitants per square mile; if the averment is true, the court certifies such fact to the township supervisors and county commissioners, whereupon the question is submitted to the voters at the next general election. If the action of the voters is favorable, it is then organized and established as a township of the first class. The requirement of a vote of the electors is a departure from prior legislation. The previous method was automatic, since upon the ascertainment of the requisite population a court order or proclamation established the first class status.

(b) By the United States census. After each decennial census the county commissioners shall proclaim such townships as have reached the requisite population density, and shall certify such fact to the township supervisors; whereupon the status of the township must be referred to the electors as outlined above.

(c) By division of existing townships. Division may be effectuated upon petition to the Quarter Sessions either: by the owners representing twenty-five percent of the assessed valuation of the township, or by registered voters equal in number to twenty five percent of the highest total vote cast for candidates for any office in the township, at the last election. Upon granting of the petition, the question is submitted to the voters, and if a majority are in favor of division, the court will decree the erection of a new township. It is further provided that the townships created thereby shall remain townships of the first class unless and until they are reestablished or proclaimed townships of the second class. The Act of 1933 relating to second class townships provides for such procedure "irrespective of population"; the board of commissioners may of their own initiative, or shall upon petition of twenty-five percent of the electors pass a resolution submitting the question to the voters; if a majority of the votes are in favor of reestablishment, the township shall be so constituted.

These provisions on division of townships differ in three important respects from the previous legislation: (1) None of the acts cited above (1905, 1907, 1927) had provided for a petition by any persons other than the owners of real estate. The present code, in addition to this, permits petitions by registered voters. (2) The new provision that, following the division of a first class township, both the new township and the remaining portion shall have first class status. This is not in harmony with the purpose of classification since the status is made to depend upon the procedure of petition and electoral action. (3) The general provision for the reestablishment of first class townships, irrespective of population, is likewise a questionable departure. It tends to break down the very classification which the law elsewhere seeks to estab-

lish.

(d) By consolidation of two or more first class townships within the same county. This is brought about by the filing of a petition, its confirmation, and favorable vote of the electorate of each township affected. The petition may be by either of the two methods prescribed in the petitioning for division of a township, or when signed by a majority of the commissioners of each of the townships proposed to be consolidated. This provision is substantially similar to that of the general township act of 1917.

In two important respects the present code makes the procedure of consolidation more difficult. First, a petition to the quarter sessions court is required and must be made by a larger number of petitioners in one instance or by the owners of a large amount of real estate in the other. The petition itself is more formal, complicated, and may lead to further court proceedings involving hearings and appeals on the matter. Under the prior legislation only a written request to the commissioners was necessary. or the commissioners might act of their own initiative by entering into a joint agreement to that effect and have the issue submitted to the voters. Second, the costs and expenses of the entire proceeding are thrown upon the petitioners whenever the petition is refused by the court or rejected by the voters. Under the 1917 act such costs were paid equally by each of the townships affected.

The statutes governing the creation, division, consolidation and classification of townships are responsible for many of the weaknesses of local government within these areas. Notably the basis of classification, three hundred inhabitants to the square mile, is too broad in that it permits grouping of different kinds of local areas within the same classification, despite extreme diversity in character, area, population, wealth, taxable resources and government needs. These excessive diversities within the group hinder and obstruct the solution of such problems as the institution of adequate and uniform budgetary, accounting, auditing and reporting procedures, the enactment by law of acceptable qualifications for such officers as auditors, secretaries, and the like, the character, form and extent of state supervision over the performance of specific governmental services such as health and highways, and over local fiscal operations. Not only are the statutory provisions too general, they are also inconsistent. Classification is based upon a specified density of population, yet when a first class township is divided, its parts remain first class townships even though they have not the required density; when a first class unit is to be changed to second class, the action can be taken only with the approval of the electors but if this is given the change takes place regardless of population. In short, the code provides a classification and then proceeds to remove its meaning. This renders the powers and authority of first class units unfitted to their areas in many instances and imposes needless financial burdens upon them.

Corporate Powers: The corporate powers of first class townships are similar to those of the boroughs and cities. This is due to the urban character of the majority of townships within this class.

(1) Mandatory and Optional Powers: The mandatory powers may be briefly listed: They are to administer and enforce the statutes and regulations in regard to health and to maintain township highways. The remaining functions are optional in character.

(2) Power to create offices: The first class township code specifically sets up the following offices: commissioner, treasurer, tax collector, secretary, auditor, and health officer. In the cases of auditing and health administration, the code provides optional features - it vests discretion in the commissioners as to the particular type or form such office shall assume: in the former, either a court appointed auditor or a locally elected controller instead of three elective auditors; in the latter, a board of health or health officer.

In addition to these mandatory offices the code provides for the establishment of the following, within the discretion of the commissioners: solicitor, controller, engineer, chief of police (and other police officers) township manager, committing magistrate, building inspectors, park, recreation and adjustment boards, and shade tree, zoning and planning commissions. Finally, section 1501 contains blanket auth-

ority empowering the commissioners to create any office or department deemed necessary for the interests of the township. Under this clause several townships have established the following offices: fire marshall and assistants, meat, food and sewer inspectors, road supervisor or superintendent, superintendent of sewers, sewer engineer, and a host of minor offices.

(3). Primary powers. The township is vested with the power to perform such primary and essential functions as the following:

(a) To provide for the public safety by: establishing a police force, providing lockups, regulating disorderly practices, designating committing magistrates, arresting vagrants and setting them to work, making regulations for the prevention of fires, making appropriations to volunteer fire companies, providing for the housing of fire apparatus, and by inspecting, regulating and abating fire hazards.

(b) To provide for the public health by: enforcing state and local regulations, establishing "emergency hospitals" and maintaining ambulances, regulating the construction and maintenance of house drains, cesspools, etc., inspecting places which may constitute a nuisance or menace to public health and abating such nuisances, and providing for the inspection and regulation of milk and milk products.

(c) To provide for the construction and maintenance of public highways, roads, streets, sidewalks and bridges by laying out, opening and widening the same, exercising the right of eminent domain, and assessing property owners for their improvements.

(d) To provide for the lighting of streets and highways by contract with public utilities.

(e) To provide for an adequate water supply by entering into contracts with private persons or public utilities, and by establishing and maintaining water works.

(f) To provide for the construction and maintenance of sewers and sewerage systems.

(g) To provide for public recreation by establishing and maintaining playgrounds, parks, swimming pools, parkways, community centers, playfields, gymnasiums, public baths, and the like.

(h) To exercise all such fundamental governmental powers necessary for the performance of the foregoing functions by: enacting and enforcing (by penalty) ordinances and resolutions; levying and collecting taxes for the following purposes- building and maintaining of housing for fire equipment, caring for trees, for procuring a lot and/or the erection of a townshouse, for the lighting of streets, for providing a water supply, an annual tax for the payment of interest on indebtedness and sinking fund charges, and real estate and occupational taxes for general township purposes; levying and collection of special assessments for such purposes as permanent improvements, street lighting, fire protection and the like. Entering into contracts with private persons for the construction of streets, sewers, etc.; acquiring and leasing such real and personal property as the township may require; exercising the right of eminent domain; and the right to sue and be sued in the name of the township.

(4) Regulatory and/or police powers. In addition to the powers outlined above. the township is granted the following specifically stated regulatory powers:

(a) To regulate buildings or parts thereof in respect to construction, alteration, use, sanitation, water supply, etc., and to classify them for the above purposes.

(b) To make regulations respecting foundations, party walls, and partition fences.

(c) To prohibit or regulate the manufacture, sale and use of fireworks and other explosives.

(d) To make zoning regulations.

(e) To regulate and/or license market houses, peddlers, hucksters, junk dealers, vendors, pawnbrokers, and the like.

(f) To regulate or abate slaughter houses, manure pits, dumps, cesspools, etc. or any other nuisance.

(5) Power to appropriate for specific purposes. The commissioners are authorized to appropriate sums for the following purposes:

(a) Memorial day services.

(b) The erection and maintenance of armories.

(c) Pension fund for police officials.

(d) Two hundred dollars, annually, for the support of any voluntary association composed of electors, formed for the study of the welfare and management of townships and for the recommendation of beneficial legislation. (Also appropriations to any forest protection association).

(6) Power to erect, maintain, establish and purchase public utilities and other enterprises. This power includes the following:

(a) Plants for water supply.

(b) Market houses.

(c) Incinerating plants.

(d) Comfort stations.

(e) Watering troughs and drinking fountains.

(f) Emergency hospitals.

(g) Ware houses and storage houses.

(h) Community centers, swimming pools, public bath houses, and the like.

(7) Miscellaneous powers. Within this group may be included the power:

(a) To purchase burial grounds for soldiers.

(b) To acquire land for armory purposes.

(c) To contract insurance for township property and workmens compensation, and group insurance for employees.

(d) To acquire forest land.

(e) To create a revolving fund for permanent improvements.

(f) To provide for registration of real estate.

(g) To display flags.

(h) To enter into agreements with other municipalities for joint construction and maintenance of highways, sewers and water works, and for the establishment of parks, playgrounds, etc.

(i) To establish a pension fund for police officials.

(8) Blanket authority. In addition to the power to create any office or depart-

ment deemed necessary, the commissioners are given broad authority in respect to the use and acquisition of real and personal property, and are empowered to adopt resolutions and ordinances prescribing the manner in which powers of the township shall be carried out, and for the general regulation of township affairs.

Diverse Conditions. Most of these broad powers are not exercised in the majority of townships. The larger, more populous units have their sewerage systems, police, parks, playgrounds, zoning, swimming pools, parkways, building regulations, food inspection, and the like. The smaller, less populous, less wealthy, and more rural townships such as South Fayette, Jefferson, Elizabeth and Swatara find little occasion to perform more than the two mandatory functions of highway and health administration. The units composing what might be termed a "middle" group, neither urban nor rural but semi-urban, such as Nether Providence, Baldwin, Penn and Harrison perform one or more of these optional services in whole or in part. Nether Providence has established detailed zoning and building codes; Baldwin has created a zoning code, not generally enforced, and has provided sewerage for portions of the township only.

Nature and Extent of Diversity. Table I shows the diversity in area, population and taxable resources, also the assessed valuation, and the mileage of township and state roads. It does not show an interesting fact about these units, viz., their tendency to cluster around urban centers. This tendency reflects their urban and residential character. The data on assessed valuation were taken from a variety of sources such as the annual reports filed with the Department of Highways, the annual audit statements, and the county assessment authorities. The continuous changes which are made in assessed valuation statistics and in road mileage prevent absolute accuracy in figures.

The extreme range of population is shown by the fact that in the smallest of these townships, South Versailles, the total population is only three hundred and thirty-six, while in the largest, Upper Darby, the population is forty-six thousand six hundred and twenty-six. This diversity is also shown in that there are eighteen townships with a total population less than three thousand; twelve with a population of three to five thousand; sixteen with population of five to ten thousand; and, fifteen with a population of ten thousand or more.

The same diversity is apparent in the density of population within these townships. The population per square mile varies from one hundred and ninety six in Jefferson to five thousand three hundred and twenty-two in Upper Darby. Nine of the townships have a population of two thousand or more per square mile; thirteen range from one to two thousand; twenty seven from five hundred to one thousand; and, twelve with density less than five hundred. Likewise as to taxable resources or assessed valuation: Lower Merion has the highest assessed valuation, $86,750,715, while South Versailles has the lowest, $111,033. As would be expected, the more urban townships have the greatest density of population and the largest amount of taxable resources. Where rural units such as South Fayette, Butler, Elizabeth and Jefferson have higher assessed valuations than the more urban units such as Annville, Darby and Reserve, this fact is entirely accounted for by the greater areas of the former group.

The table thus shows a group of rural townships which by nature are in reality second class units, another group which are semi-urban, semi-rural and for which the first class type was originally created, and a third group of communities which in density and number of population and taxable resources really constitute cities of the third class.

This is confirmed further by the variations in the tax rate. The more urban townships, having more governmental services, levy the higher rates while the rural townships levy the lower rates. The apparent exceptions to this rule are explained by one or more of the following: disparity in area; greater proportion of improved road miles; a high proportion of miles of state roads to the total road mileage; and either a decreasing density of population or a slower rate of population growth.

More specifically those townships having a tax rate of six mills or less are as follows: Hanover, South Fayette, Ross, Swatara, Collier, O'Hara, Plymouth, Jefferson, Nether Providence, West Norriton, Springdale, Neville, and South Versailles. None of

these units are either urban or predominantly urban. South Fayette, and Jefferson are exclusively rural townships while Swatara, Collier, Plymouth, West Norriton, and Springdale are predominantly rural. The remaining units, Hanover, Ross O'Hara, Nether Providence, Neville, and South Versailles are urban communities in part. The low millage in Hanover may be accounted for by the fact that it is a Losch Act township and by the existence of a strong, vigilant taxpayers association. In Ross, O'Hara, Nether Providence, Neville and South Versailles the millage is explained by one or more of the following: smallness in area, proportion of unimproved roads, large proportion of state road miles, decrease in population, and the slower rate of population growth. Generally, it may be stated that those townships of large area, high proportion of unimproved roads, high ratio of state road miles, low tax rate and least density of population, are rural in character.

From the data here presented it would appear that some state agency should redraft the present classification. An enlarged basis is needed which will not only include density of population but also the amount of taxable resources. Consideration should be given to the transfer of the large urban townships into the third class city group where they belong, as well as to the reclassification of the rural townships as second class units. The remaining townships would then be homogeneous in their semi-urban, semi-rural character and in the governmental problems which they must face.

The alternative should also be considered of abolishing the present division into two classes and setting up instead a single class with subdivisions according to density of population and property valuation. Further provision should be made for annexation to one or more of the larger adjoining governmental units for those townships, such as West Lebanon, South Versailles, Darby, Reserve, and Braddock, which cannot justify an independent existence of their own. In the first two, rapidly decreasing population and taxable resources, due to industrial conditions, combined with the restricted area of each would seem to call for annexation or consolidation with stronger adjacent units. While the population in Braddock is not actually decreasing, the rate of increase is rapidly declining, and this, in conjunction with lack of adequate taxable resources, smallness of area, and comparative poverty of the population indicates the same need for annexation. The president of the board of commissioners of this township stated that the township did not possess adequate resources to support itself and that annexation was highly desirable. Reserve and Darby should be similarly dealt with because of small area and proximity to urban centers.

That some steps will have to be taken to define the character of townships of the first class more clearly is evidenced by population trends within these units. In 1910 the range of population among these units was small. From 1910 to 1920 the differences increased by the rapid growth of those areas bordering upon large urban centers. Between 1920 and 1930 this change was accelerated and numerous boroughs were erected from parts of townships. This latter step usually impaired the taxable resources of the township affected and left the remaining portion predominantly rural in character. In order to meet this situation the Act of May 18, 1933, P.L. 818 amending the Act of 1927 was passed. It provides that where a borough is to be erected from a portion of a township of the first class a petition to that effect must be signed by two-thirds of the resident freeholders and by the owners of three-fourths of the assessed valuation of real estate in the township affected. This petition is presented to the court which in turn lays it before the grand jury. If approved it is certified to the court, and if the court confirms the action a borough is erected. The new act is a step in the right direction. Meanwhile the steady increase in township population calls for even more optional code features to meet the needs of the large urban areas. This means that the value of township classification disappears and is additional evidence that a new classification is needed.

Another indication of the future trend toward greater diversity is found in the tendency of most townships of this class to cluster around large urban or metropolitan centers. Eighteen are either adjacent to or directly bordering upon the City of Philadelphia. Twenty-four are similarly situated in the Pittsburgh metropolitan center including Pittsburgh, Clairton and McKeesport. The remaining townships are either adjacent to or within close proximity of such cities as Harrisburg, Scranton, Erie, Allentown and Lebanon, or such large urban centers as the boroughs of Norristown, Ambridge and Tarentum.

The population trends within such townships reflect the expansion of the metropolitan center to which they are adjacent. Consequently provision should be made for their automatic absorption within such expanding urban area, or for their erection as independent boroughs or cities where the size of the area and other relevant conditions justify an independent existence.

Finally, consideration should be given to the possibility of consolidating boroughs and first class townships. The code is intended to provide a form of government suitable to residential districts which are semi-urban and semi-rural. If such form of government can be successfully established, many of the separate units now existing could be merged in such manner as to constitute political communities of this character. This consolidation would strengthen the taxable resources of these sections and at the same time eliminate the overhead costs arising from separate organizations for small areas. Such a change is especially needed in those townships where one or more boroughs have been erected within the boundaries of the existing units. Examples are seen in Hanover township which completely envelops the boroughs of Warrior Run, Sugar Notch, and Ashly; Coal township which completely surrounds the borough of Shamokin; and Lower Merion within the confines of which the borough of Narberth has been erected. Consideration should also be given to similar action where the erection of boroughs has completely separated one or more portions of the township from the remaining portions as in the case of Upper Darby and Darby townships, and in those cases where a small borough and a first class township are directly adjacent as in the case of Nether Providence, Whitehall, and others. The experience of the townships visited leaves no doubt that in the present financial stress each local unit be so located as to include within its territory adequate taxable property resources to finance its governmental functions or it must be abolished, by merger, as incapable of performing those same functions. These conditions show the need for a state-wide examination by some official body in order to redraft the present classification.

CONCLUSIONS

1. FINDING - Many first class townships cannot be distinguished from third class cities, boroughs and second class townships respectively in their number and density of population, taxable resources, area and other conditions. This is due to the statutory provisions on classification, erection, reestablishment, consolidation, corporate powers and organization. These provisions are so broad, loose and inconsistent as to nullify completely the purposes of the classification.

Sections 207, 218, 225, 226 of the code permit townships with a population density of the first class to remain in the second class or to become second class townships. These sections provide that remnants from the consolidation or division of first class townships retain first class status regardless of density of population. They fail to provide any requirement which will assure that a first class township shall have sufficient taxable property valuation to finance its functions. The present classification of townships has therefore lost its meaning and purpose and has become a cause of confusion and heavy tax costs.

RECOMMENDATION - That a legislative commission in consultation with officers of both first and second class townships and other persons, should prepare a new basis of classification with either:

a) Two or more classes, or
b) A single class with options suited to township conditions

RECOMMENDATION - That such legislative commission examine and include in its report proposals relative to

a) The inclusion of assessed valuation of taxable resources in the basis of classification
b) A more homogeneous grouping of local areas in each class
c) A maximum and minimum requirement as to density of population and assessed valuation, in order to provide for a more automatic classification
d) The feasibility of annexing small, paritally defunct townships or those which

are so closely integrated with a large municipality as to be indistinguishable therefrom. Such townships as West Lebanon, South Versailles, Wilkes-Barre, Braddock, Lackawanna, Darby, Reserve, and Spring Garden, should be examined with this end in view.

2. FINDING - The lack of taxable resources, the possibility of cutting overhead costs and other factors make the consolidation or annexation of many of the townships desirable. The present statutory provisions seriously handicap either possibility.

RECOMMENDATION - That in view of these statutory obstacles, the procedure for consolidation be facilitated by relieving the petitioners of the burden of paying the costs of such procedure where the proposal for consolidation is rejected by the electorate.

TABLE I

DIVERSITY OF CONDITIONS

Township	Population			Percent of Increase or Decrease		Population per Square Mile	Area in Square Miles	Total Assessed Valuation 1933	Mileage of Township Maintained Roads			Mileage of State Roads
	1910	1920	1930	1920 over 1910	1930 over 1920				Improved	Unimpr.	Total	
Upper Darby	5,385	8,956	46,626	66.31%	420.61%	5,322.60	8.76	$58,698,433	86.32	6.15	92.47	21.59
Lower Merion	7,671	23,866	35,166	211.11	47.34	1,501.53	23.42	86,750,715	108.02	13.20	121.22	31.68
Haverford	3,989	6,631	21,362	66.23	222.15	2,232.18	9.57	31,211,142	58.11	9.08	67.19	29.43
Coal	6,105	17,574	19,929	187.86	13.40	1,729.95	11.52	10,623,862	7.23	33.60	40.83	17.34
Abington	5,896	8,684	18,648	47.28	114.73	1,230.89	15.15	23,877,571	65.48	40.00	105.48	34.55
Hanover	6,965	11,139	17,770	59.92	59.52	396.56	44.81	49,056,022	23.34	4.80	28.14	27.06
Plains	10,529	13,986	16,044	32.83	14.71	988.54	16.23	8,335,519	5.25	16.75	22.00	18.12
Cheltenham	9,434	11,015	15,731	30.60	42.81	1,793.73	8.77	25,456,015	60.52	1.85	62.37	20.88
Mount Lebanon	------	2,258	13,403	-----	493.57	2,084.45	6.43	34,575,435	42.31	3.80	46.11	4.02
Stowe	8,145	10,665	13,368	30.93	25.34	2,370.21	5.64	11,533,590	6.50	16.00	22.50	4.35
Penn	6,207	8,342	13,337	34.39	59.87	680.11	19.61	13,408,880	2.85	43.60	46.45	32.31
Harrison	6,687	9,389	12,387	40.40	31.93	1,722.80	7.19	10,223,610	36.00	6.00	42.00	11.22
Radnor	7,094	8,181	12,263	15.32	49.89	857.55	14.30	22,030,100	31.00	5.66	36.66	31.23
Newport	10,277	10,992	12,087	6.95	9.96	740.63	16.32	17,456,152	4.90	4.00	8.90	12.70
Whitehall	9,350	9,886	10,707	5.73	8.30	851.79	12.57	6,263,529	27.90	42.40	70.30	19.24
Shaler	5,154	6,306	9,373	22.35	51.80	844.92	11.38	10,098,489	-----	25.00	25.00	11.40
South Fayette	8,761	9,221	9,147	5.25	- .80	430.85	21.23	4,033,725	-----	30.00	30.00	25.98
Butler	6,235	7,692	8,641	23.36	12.33	391.88	22.05	8,532,636	9.20	49.80	59.00	23.00
Ross	3,812	4,984	8,581	29.82	73.38	2,189.03	3.92	10,068,930	3.80	41.50	45.30	8.37
Ridley	2,945	5,342	8,326	81.39	55.85	1,607.34	5.18	8,947,306	12.75	35.00	47.75	12.44
Mifflin	8,076	11,267	8,167	39.51	-27.51	383.60	21.29	4,645,355	1.50	72.00	73.50	16.72
Elizabeth	7,410	6,563	7,479	-11.43	13.95	339.34	22.04	4,625,970	----	23.40	23.40	25.74
Wilkes-Barre	5,703	6,608	7,176	15.86	8.59	2,657.78	2.70	5,287,485	1.90	7.80	9.70	2.00
Baldwin	8,230	4,928	6,371	-40.12	29.28	364.47	17.48	5,596,280	18.00	17.00	35.00	12.84
Swatara	5,630	5,847	6,333	3.85	8.31	508.68	12.45	2,423,500	12.30	15.65	27.95	20.19
Scott	5,737	4,927	6,203	-14.11	25.89	1,466.43	4.23	5,247,065	2.00	34.00	36.00	4.40
Collier	4,211	4,651	6,091	10.44	30.96	460.04	13.24	3,691,910	----	23.00	23.00	16.66
East Bethlehem	1,929	4,969	5,765	157.59	16.01	977.12	5.90	2,036,135	2.50	14.50	17.00	9.22
North Versailles	4,435	4,844	5,668	9.22	17.01	641.17	8.84	3,841,460	----	22.00	22.00	12.19
Springfield (Montg. Co.)	2,994	3,374	5,541	12.69	64.22	837.00	6.62	7,850,375	20.92	6.15	27.07	11.76

O'Hara	3,917	4,672	5,127	19.27	9.73	376.98	13.60	$6,991,580	-----	17.80	17.80	5.10
Spring Garden	2,209	2,766	4,675	25.21	69.01	678.52	6.89	4,231,575	25.00	6.50	31.50	11.85
Springfield (Del.Co.)	1,132	1,298	4,589	14.66	235.54	677.84	6.77	6,642,380	11.60	4.50	16.10	13.81
Plymouth	2,706	4,201	4,369	18.29	36.48	512.19	8.53	3,818,660	14.50	----	14.50	15.31
Jefferson	6,771	5,009	4,138	-26.02	-17.38	196.49	21.06	4,406,640	-----	24.00	24.00	26.52
Wilkins	3,626	3,455	4,127	- 4.71%	19.45%	603.36	6.84	2,947,100	-----	14.00	14.00	9.19
Upper Moreland	-----	2,195	3,989	-----	81.73	519.40	7.68	3,966,330	33.00	7.00	40.00	18.37
East Deer	3,702	3,506	3,928	- 5.29	12.03	2,146.44	1.83	7,099,456	.50	2.00	2.50	3.59
Tinicum	1,135	2,500	3,630	120.26	45.20	870.50	4.17	4,873,161	9.00	15.00	24.00	5.27
Lower Chichester	1,250	2,581	3,473	106.48	34.56	1,490.65	2.33	2,292,741	-----	2.00	2.00	3.34
Lawrence Park	-----	-----	3,241	------	-----	1,988.34	1.63	4,526,935	2.55	3.04	5.59	3.54
Reserve	2,024	2,605	3,108	28.70	19.30	1,079.16	2.88	2,145,095	-----	5.30	5.30	1.70
Lackawanna	2,756	3,050	3,077	10.66	.88	596.32	5.16	900,022	-----	8.00	8.00	1.51
Annville	2,482	2,651	2,997	6.80	13.05	1,998.00	1.50	1,996,880	5.50	----	5.50	3.04
Nether Providence	1,941	2,344	2,833	20.76	20.86	529.53	5.35	4,525,100	16.06	4.00	20.06	12.97
Darby	6,305	7,922	2,773	25.64	-64.99	909.18	3.05	1,299,870	4.20	5.30	9.50	2.00
Aston	2,135	2,107	2,659	- 1.31	26.19	359.81	7.39	1,606,970	7.50	6.50	14.00	14.96
West Norriton	812	1,375	2,588	69.33	88.21	508.44	5.09	3,097,565	19.00	.25	19.25	10.35
West Pottsgrove	1,507	1,709	2,400	13.40	40.43	895.52	2.68	1,219,110	4.29	5.20	9.49	1.71
Rochester	1,227	1,688	2,380	37.57	40.99	648.50	3.67	1,418,013	11.50	3.50	15.00	5.54
Stonycreek	2,293	843	1,860	-63.23	120.64	461.54	4.03	1,507,440	-----	7.37	7.37	3.32
Patterson	434	875	1,846	101.61	110.97	1,409.16	1.31	914,960	-----	7.00	7.00	4.79
Braddock	739	1,215	1,794	64.41	47.65	949.20	1.89	979,640	-----	15.00	15.00	2.69
Springdale	667	910	1,565	36.43	71.97	660.33	2.37	822,220	-----	3.50	3.50	3.89
Neville	634	1,272	1,532	101.00	20.44	1,021.33	1.50	8,265,225	-----	3.50	3.50	.00
Leet	569	627	1,272	10.19	102.87	300.00	4.24	1,114,970	2.00	.50	2.50	.53
Crescent	893	980	1,107	9.74	12.95	540.00	2.05	775,720	-----	2.00	2.00	1.78
White	633	1,221	1,031	92.89	-15.56	2,713.15	.38	339,472	-----	2.50	2.50	2.04
West Lebanon	1,098	1,030	921	- 6.19	-10.58	2,361.54	.39	484,360	4.00	----	4.00	1.11
Borough	639	670	885	4.85	32.08	811.93	1.09	613.230	-----	5.00	5.00	2.36
South Versailles	417	303	336	-27.33	10.89	685.71	.49	111,033	-----	4.00	4.00	1.40

CHAPTER II

INTERNAL ORGANIZATION

The problem of internal organization is one of adapting the structure of the township to the conditions of those local areas having substantially the same governmental needs and desires. As such this problem is a part of, and supplementary to, the problem of establishing and maintaining an adequate classification of local governmental areas.

The structure required to meet the needs of a highly urbanized community will of necessity be more complex, broader in its scope of powers and more costly in operation than the structural forms adapted to rural communities. Obviously it is impossible to erect any one form which will at the same time adequately serve the needs of both rural and urban areas. Nevertheless, this is exactly the situation created by our present system of classification which groups into one class many heterogenous communities with political needs and problems that are often entirely dissimilar.

The innumerable variations of governmental organization among the townships of the first class, as we have seen, arise from the permissive character of the present code in regard to corporate powers and offices, and from the wide diversities, already indicated, among these units as to such matters as population, area, taxable resources, and governmental needs. On the one hand such highly urbanized communities as Upper Darby, Lower Merion, Mt. Lebanon, and the like have established forms which, in their complexity and scope of administration, excel many of those set up by third class cities under the code relating to that class of governments. On the other hand, such predominantly rural townships as Jefferson, Elizabeth, South Fayette, Plymouth, and the like have created governmental forms that, in their simplicity and restricted scope of administration, are indistinguishable from those found in the second class townships.

Between these two extremes are to be found many variations of form adapted to the particular needs, taxable resources, and desires of the semi-urban, semi-rural townships which compose the greater number of townships within this first class. The optional features of the code are such that a second class township, a borough, or a third class city can readily find a place within its folds and can readily establish a form of organization adapted to its needs by a process of careful selection and rejection of the code provisions. This is no theoretical possibility; it has been done. Among the sixty-one first class townships are several that are indistinguishable from a third class city, a borough, and a second class township respectively. It might well be said "you take your petition to the court and the electorate, and you take your choice of form of government". The result is "home rule" with a vengeance.

It might be contended that such elasticity is particularly desirable since it permits a community to adopt the form of government best suited to its needs. The difficulty with such a viewpoint is that the very diversity thereby created in turn creates governmental problems which cannot be adequately met as long as such diversity exists. A modern accounting or budgetary procedure adaptable to townships expending several hundred thousand dollars per year for varied governmental services will be neither adequate, scientific, nor logical for a unit expending only several thousand dollars per year for highways and health. It is one thing to establish by law a concentrated administrative responsibility in one office such as the controller, manager, or secretary in a township which can afford to employ competent full time personnel but it is another matter to make such centralization mandatory in a small unit with restricted resources and inability to finance any but a part time staff. In brief, the question resolves itself into one of the value and purposes of classification. If such classification is of value and serves a useful purpose, then it must be so established and maintained as to perform its function. If it serves no useful purpose, which no one would hold, then it should be entirely discarded.

The permissive features of the code in regard to governmental offices allow the board of commissioners, in practice, to determine the structure of government in these townships.

A brief review of the township offices as to terms, qualifications, optional or mandatory and appointive or elective character indicates more particularly the extent to which the organization may be so determined. The mere reading of the statutory provisions concerning township offices in itself affords no picture of the actual townships' existence which can only be obtained by the separate study of the organizations operating in the communities within this classification. Yet in spite of this fact the legislature is compelled to enact legislation which is supposed to apply to these communities as a group. The problem which this situation creates for the legislature is amply demonstrated by the contrast between the possibilities of organization as set forth by the code and the actual structure now in existence among these varied communities.

Governmental organization by offices - elected:

1. The commissioners. Where a township is divided into five or more wards, a commissioner is elected from each ward. In townships having less than five wards, the number of commissioners shall be five, one such commissioner being elected from each ward, and the remaining number to be elected at large. Where a township is not divided into wards, five commissioners are elected at large. The commissioners, whether elected at large or by wards, are elected for a four year term, the terms being so arranged by a "stagger" system that only a part of the board is elected every two years. In townships where the commissioners are elected from wards, the terms of the commissioners from the even numbered wards expire at one time and the terms of those from the odd numbered wards expire two years earlier or later. Where a township is not divided into wards the code provides that either two or three of the five commissioners shall be elected at each municipal election (which occurs at two year intervals). The only qualification for the office is the general one found in section 501 which provides,"no person shall be eligible to any elective office in any township unless he is an elector of the township for which he is chosen." When a vacancy occurs the court of quarter sessions, "upon the petition of twenty qualified voters of the ward or township, as the case may be, in which the vacancy occurs" may appoint a qualified elector as commissioner. If such petition is not presented to the court within thirty days after the vacancy occurs, the board of commissioners may fill the vacancy by a similar type of appointment. In either event the term of the appointee is limited to the next municipal election at which time a commissioner is to be elected to fill the unexpired term.

2. The treasurer-tax collector. Unlike the provisions of the second class township code which establish two distinct offices, treasurer and tax collector, the first class code combines these two offices in the township treasurer. The term of office is four years and expires along with the terms of the commissioners elected from the even numbered wards. The treasurer may also hold the office of treasurer of the school district and such is the universal practice. The only qualification in addition to that specified in section 501 is the requirement that the treasurer must give bond "in a sum to be prescribed by ordinance or resolution and at least equal to fifty percentum of the probable amount of the annual township tax. Neither the treasurer nor township auditors may hold any additional office in the township. When a vacancy occurs the commissioners are empowered to fill the same, the term of the appointee being limited to the next municipal election at which time a treasurer is elected to fill the unexpired term.

3. The auditors. Where the elective auditor system prevails each township elects one auditor for a six year term at each municipal election. No qualification for office is stipulated other than that in section 501. Vacancies are filled by the court of quarter sessions, upon the petition of electors, by an appointment for the unexpired term.

4. The controller. When a township establishes the office of controller by ordinance the office of elective auditor, above described, is abolished. The controller is elected, where established, for a four year term. Such controller "shall be a competent accountant and an elector of the township for at least four years prior to his election." In addition to these qualifications he is required to give bond "in the sum of twenty thousand dollars, conditioned for the faithful discharge of his duties." Vacancies occuring in this office are filled in the same manner as described in the case of such vacancies occurring in the office of township treasurer.

5. Miscellaneous elective officials: In addition to the elective officials cited above, there are others who are not included in this description because they discharge county rather than township duties. Among these are: (a) two locally elected justices of the peace and two constables, each serving for four year terms: (b) assessor, assistant assessor, and two assistant triennial assessors locally elected for a term of four years in all counties except those of the first, second, and third classes, where county assessors are appointed by the county board of assessment. Where the office of township assessor has been retained an assistant assessor is also sometimes elected. (c) Election officials who although locally elected are considered as performing a county function under the county commissioners.

Governmental organization by offices - appointive: In addition to the elective offices, the township commissioners are vested with the authority of appointment in regard to the following mandatory and optional offices.

1. The township secretary. The commissioners appoint a township secretary "who must be a qualified voter of the township, and not a member of the board". Such secretary serves at the pleasure of the board.

2. The Board of health. The commissioners must provide for the administration of health either by the appointment of a board of health or a health officer. Where the former method is adopted the board is composed of five members chosen by the commissioners for a term of five years, a member of the board being appointed annually for a five year term by the "stagger" system, thereby providing for a continuing personnel. No qualifications are laid down for the members of such board other than that at least one of the members "shall be a reputable physician of not less than two years' experience in the practice of his profession, if one resides within the township".

Where the latter procedure is adopted and a health officer appointed such officer serves at the pleasure of the board unless otherwise provided by ordinance. Such health officers "shall have had some experience or training in public health work in accordance with rules and regulations established by the advisory health board of the State Department of Health (attendance at designated colleges for a six week summer course prescribed by the Health Department is sufficient to meet the certification requirements), and "shall not enter upon the performance of their duties until..... certified so to do by the Secretary of Health of the State Department of Health." To these qualifications is added that of giving a bond for the faithful discharge of duties in such sum as the commissioners shall, by ordinance, stipulate.

3. Township solicitor and township engineer. The commissioners may create such offices and appoint persons thereto for a term of two years. Each such official gives bond in such sum as the commissioners by ordinance direct. It is further stipulated that the solicitor must be "a person learned in the law" and that the engineer "shall be a registered engineer." Vacancies in both cases are to be filled by appointment by the commissioners for the unexpired term.

4. Court appointed auditor. Where the commissioners so elect they may by ordinance vest authority in the court of common pleas to appoint an auditor to make the annual audit of the township accounts. Where this procedure is adopted by the commissioners the elective office of township auditor is abolished. Such auditor is appointed for one year only and "shall be either a person or firm licensed as a certified public accountant, or a person skilled in auditing work."

5. Park, recreation and adjustment boards; shade tree and planning commissions. The commissioners are vested with the authority to create any of the above offices and make appointments thereto. Where any or all of such offices are established, the terms of such appointees are specified in the code. Thus in each case a "stagger" system is employed: (a) The park board is to consist of five members one of whom shall be appointed annually for a term of five years. A similar provision exists in the case of the recreation board. (b) The board of adjustment (zoning) is to consist of three members one of whom shall be annually appointed for a term of three years. (c) The shade tree commission is to consist of three members one of whom shall be appointed for a term of five years, another for a term of four years, and the third for three years. (d) The

planning commission to consist of five members one of whom shall be annually appointed for a term of five years. The successors to these appointees shall each be appointed for a five year term. No specific qualifications are stated except in the case of the planning commission where the code provides that "all members shall reside within the zone of jurisdiction of said commission, as hereinafter defined." The planning commission's jurisdiction extends over a zone covering the township and "a distance of three miles" beyond the township boundaries unless such zone would conflict with that of another unit. No township official, except commissioners, "shall be ineligible to serve as a member of the Planning Commission." In all cases, wherever a vacancy occurs in any of these offices, the commissioners are empowered to make an appointment for the unexpired term. The code further stipulates that members of the board of adjustment "shall be removable for cause, by the appointing authority, upon written charges and after public hearing." Aside from these qualifications none other are stated, nor does section 501 of the code apply since that qualification, cited in the preceding chapter, only affects the elective offices.

6. Offices created under the broad section 1501 of the code. All of the larger townships have utilized this blanket authority to establish a governmental organization which approximates that of the larger boroughs and the third class cities. The terms, qualifications, compensation, powers, and duties of such offices are wholly determined by the commissioners in the ordinance establishing and regulating such offices. This broad authority is well illustrated in the case of Mt. Lebanon township which has established the office of township manager under section 1501 of the code. While the office is specifically mentioned, the nature of the office is entirely determinable by the commissioners.

The office of township manager was established in this township by Ordinance No. 696, February 27, 1928 and later amended in part by Ordinance No. 761, December 17, 1928. The commissioners have been fortunate in the selection of a capable man who has served continuously since the creation of the office. The term of office is two years, the manager to be appointed by a majority vote of the board and to be "subject .....to removal at any time by a vote of the majority of the Commissioners of said Township." The compensation was at first fixed at thirty-six hundred dollars per annum, payable in monthly installments, and no qualifications for such office were required other than the posting of a bond ($1,000) by such official "for the faithful performance of the duties of his office."

The ordinance outlined the manager's duties and powers as follows: (a) To supervise the construction, maintenance and repair of the sewer system, and, streets and highways; (b) To supervise the maintenance, repair and sanitary condition of the township buildings; (c) To perform the duties of "Building Inspector" in accordance with ordinances relating to the same; (d) To supervise the collection and removal of garbage, and to investigate and act on complaints concerning the same; (e) To inspect all fire hydrants, and equipment and to maintain the same in serviceable order; (f) To keep a record of all faulty or dangerous street lights or wires and to report on their condition to the commissioners; (g) To inspect and report upon all public work being done by the township, and, to stop work upon such projects where it is not being done in accordance with contractual stipulations until such time as action may be taken by the Highways Committee and the township engineer; (h) To direct the care and custody of township tools and machinery and to report the need of repair to the commissioners; (i) To purchase all equipment and supplies pursuant to action of the commissioners, and to purchase minor supplies without such action; (j) To receive complaints and requests for service and to investigate and report upon the same to the commissioners; (k) To supervise all township employees in the various departments placed under his control; and (l) To perform "such other duties as may be from time to time delegated to him by the Township Commissioners". In addition to these specific duties, the manager "shall further undertake the general management of all other business of the Township not specially given by statute or by ordinance of the Township to other officers thereof".

In accordance with this ordinance the township manager is to perform the above duties "subject to the supervision and control of the proper committee of said Board of Commissioners having in charge the respective matters to be done and performed by said Township Manager". Thus, while the source of his authority proceeds directly from

the board of commissioners, he is made responsible directly to the committees of the board which are vested with the control of administration over specified township functions.

This ordinance placed the general supervision over township administration in the township manager. In one instance, however, it provided that he himself was actually to perform an administrative function, that of inspecting buildings within the township to assure compliance of private property owners with the provisions of the building code. The ordinance of December 17, 1928 provided that he was to supervise such building inspection through the employment of building inspectors who were to do the actual inspection. This same ordinance also raised the compensation to forty-two hundred dollars per annum and added the supervision of police to his duties.

This particular office has been described in detail, not only because it is an interesting innovation but also as an illustration of the broad authority with which the commissioners are vested in the creation of township offices not mentioned in the code. While no other townships have established this office, the position of the secretary in the following townships, among others has been so modified as to closely approximate that of the manager above outlined: Lower Merion, Haverford, Shaler and Upper Darby. As can readily be seen the commissioners' authority is so broad that they can practically determine township structure and the distribution of administrative powers. While in theory their powers are limited by the specific provisions of the code, yet in practice this limitation is insignificant because of the extraordinary number of optional features in the code. The free use made of these options has led to a remarkable diversity in various townships. In all cases there is a board of commissioners, though the number of such commissioners varies from five to thirteen; there is a township secretary, township treasurer, auditors and a health officer or a health board. These offices are mandatory and must be established in every unit. The remaining offices are purely optional or within the creative authority of the commissioners and are therefore not found in all of the townships.

The results of an intensive survey of twenty-five townships show that the office of solicitor had been established in twenty-five, that of township engineer in twenty-one, fire chief or marshall, in seven, chief of police in nine, building inspector in eleven, plumbing inspector in eight, health officer (instead of a board of health in two, health board in twenty three, milk control officer or inspector in five, road superintendent in eleven, and sewer superintendent in three. Three had established a park board, three had established a shade tree commission, six a board of adjustment, one a zoning commission, and none had instituted either a recreation board or planning commission. Many offices, not specifically mentioned in the code, were found in some townships such as meat inspector, sewer inspector, community nurse, water supply superintendent and the like. In some cases these offices are similar in character to offices mentioned in the code, e.g. the sewer inspector being similar to the code "plumbing inspector."

There is no necessary correlation between such offices and the performance of a specific function. While only eleven townships are mentioned as having a road superintendent this does not mean that there is no road construction or repair in the remaining fourteen units. It merely indicates that in those units no separate office has been created or established in which control and supervision over highway construction and maintenance has been vested. In such townships the commissioners either directly supervise such work or they hire a road foreman who usually carries out the detailed orders of one or more of the commissioners. In the following chapter we shall discuss the extent to which the administration is vested in some administrative office such as a township manager, secretary, engineer, and the like, and the extent to which such administrative control proceeds directly from the commissioners or a committee of the board.

It is interesting to note that in eight of these twenty-five units there were no full time positions, and that in five others all positions were part-time with the exception of the treasurer and one or two other officials. In the semi-urban townships practically every position is a full time one and additional employees such as assistant secretaries, bookkeepers, accountants and the like are employed. Other natural diversities in organization occur from the combination under one office of functions which in

other townships are vested either in different or separate offices. One township will combine the offices of plumbing and sewer inspector, while another will have a separate office for each. Among other combinations may be noted: chief of police and fire marshall, plumbing and building inspector, superintendent of water supply and sewage disposal, superintendent of roads and sewers, health officer and police, and health officer and plumbing inspector.

Further variations caused by more complex needs may be seen in the accompanying charts showing the internal organization of township government in Lower Merion, Baldwin, and West Lebanon. These three townships have been selected because they are typical of the different governmental structures found in the highly urbanized, the semi-rural or semi-urban and the rural townships.

The Lower Merion chart shows the demand for a larger more complex form of organization to administer such urban services as police and fire protection, parkways, zoning, and food inspection. In townships of this character each office also employs numerous additional personnel not indicated in the chart.

The Baldwin township organization is typical of such units as Nether Providence, Spring Garden, Harrison, and Neville which communities have become sufficiently urbanized, in part, to demand the performance of services alien to rural communities. It will be noted that a large number of these offices, as contrasted with the former group, are filled by part-time personnel. Thus, the building inspector, solicitor, township secretary, engineer and health officer will receive a compensation of less than one thousand dollars annually whereas in Lower Merion these officials have full-time positions. Furthermore, many of these officials are provided with assistants in the larger townships, typified by Lower Merion, while in Baldwin and similar units the entire burden falls upon the lone appointee. The secretary of Lower Merion township, for example, is provided with the services of three full-time assistants and numerous other clerical help whereas the secretary of Baldwin township must attend to all bookkeeping, clerical, and other duties pertaining to the office of township secretary himself.

The West Lebanon chart is descriptive of both rural and small urban communities which are gradually losing their urban character by decreasing population and lower taxable resources. It will be noted that the officials are all compensated upon a part-time basis and that their remuneration is considerably less than that received by similar part-time officers in townships of which Baldwin is typical. This indicated the restricted scope of the services which they perform. Obviously such officers have no assistant personnel as there is no occasion for any more extended service nor are the taxable resources available to support additional services. With the exception of the water department, this form of organization is duplicated in the predominantly rural townships such as South Fayette, Jefferson, Plymouth, and others.

CONCLUSIONS

1. FINDING - The township board of commissioners are vested with such broad authority in the creation of offices and the distribution of powers between such offices, that they are in effect able to determine the particular form of the local governmental structure.

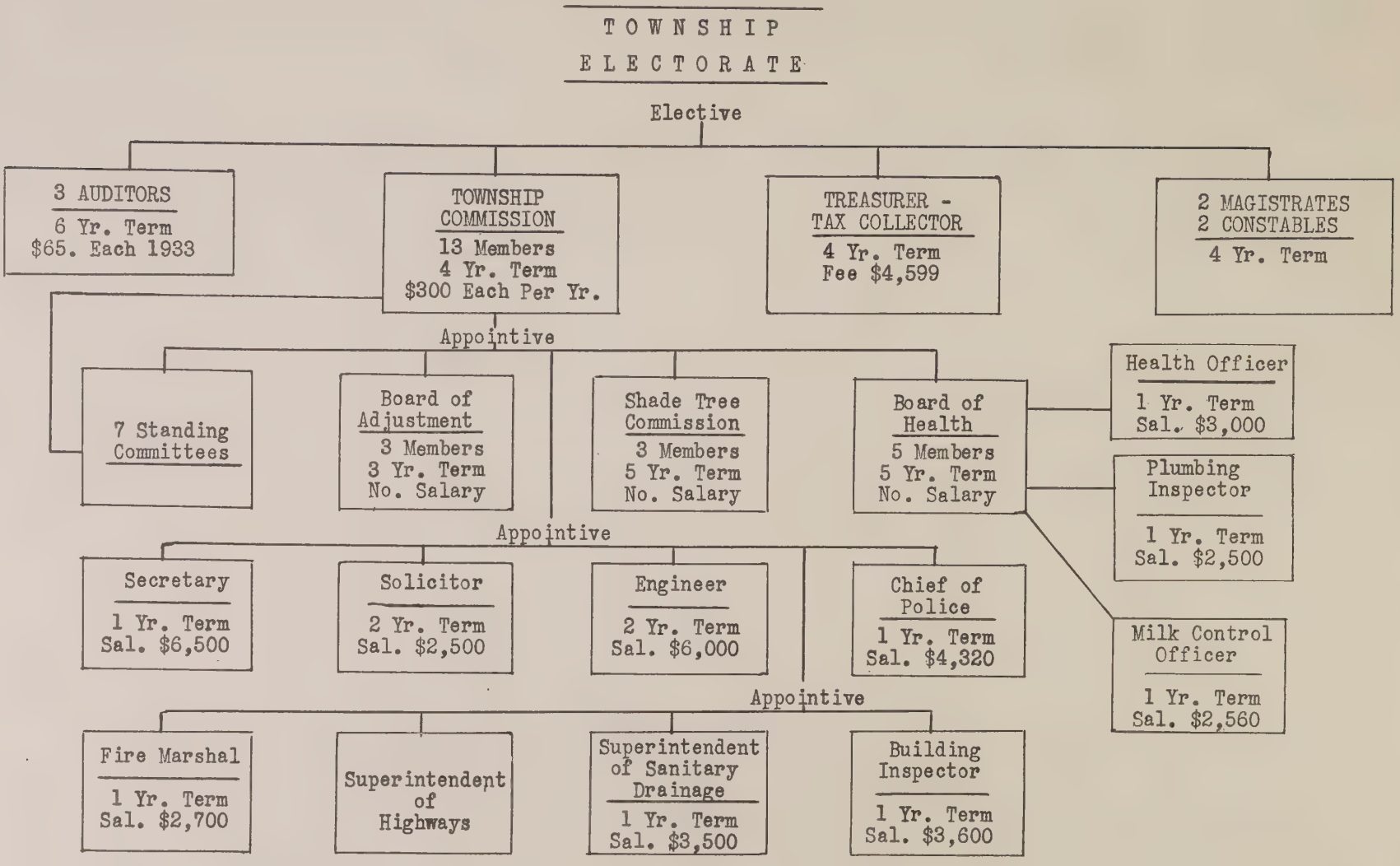
2. FINDING - The internal organization within these local areas varies so greatly that no concept of the local township government can be obtained by a mere study of the code itself.

3. FINDING - The complexity of the governmental structure within this class of townships varies in direct proportion to the urban or rural character of the local community. The more urban areas, the peoples of which demand the performance of urban governmental services, have set up an extensive governmental organization while the rural areas have been content with more simplified forms.

4. FINDING - The more urban townships governed by a complex political organization employ the more competent personnel in full-time positions. The rural units are governed by less competent personnel filling part-time positions.

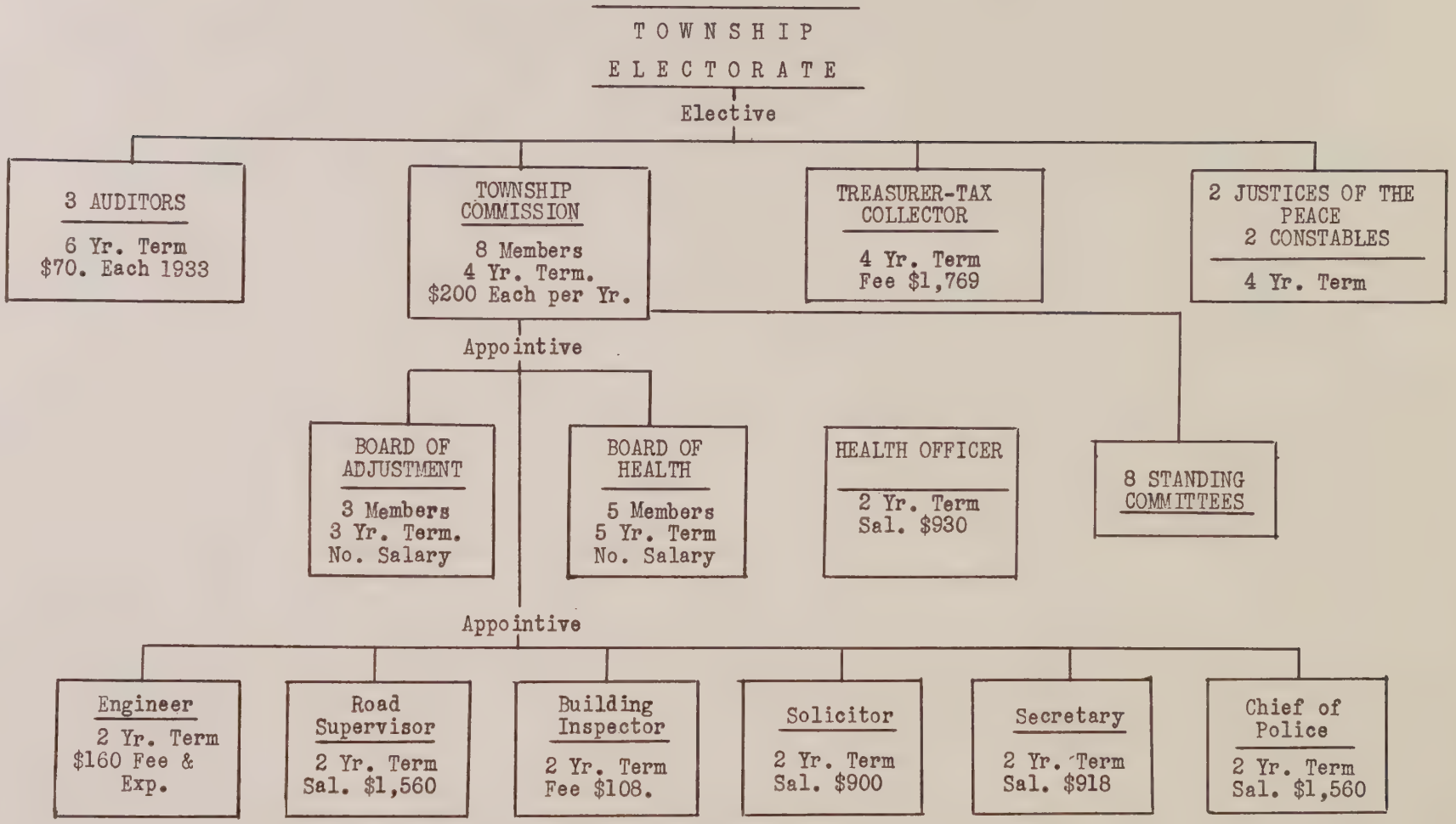
LOWER MERION TOWNSHIP
Montgomery County, Pa.

GOVERNMENTAL ORGANIZATION



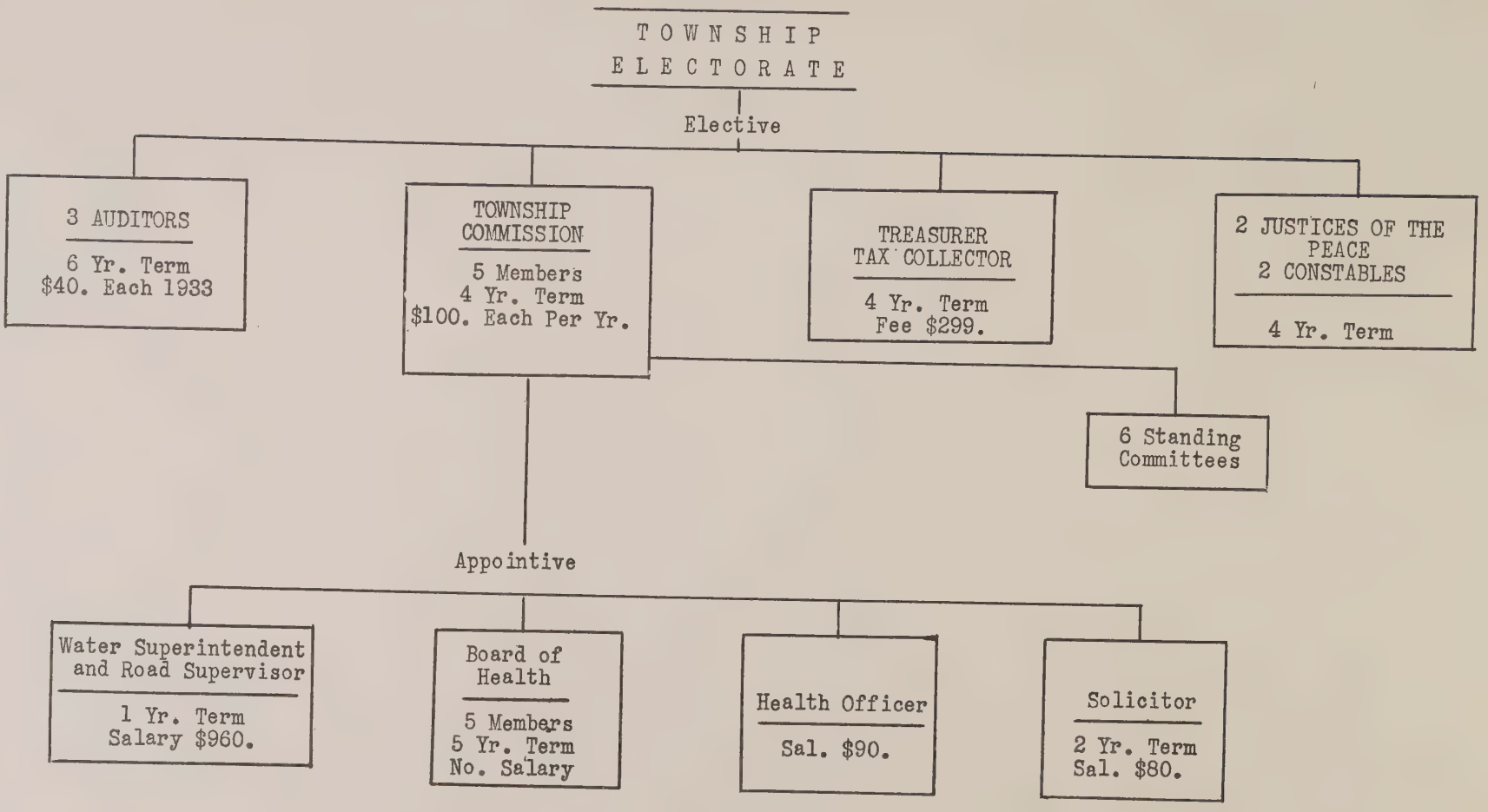
BALDWIN TOWNSHIP
Allegheny County
Penna.

GOVERNMENTAL ORGANIZATION



WEST LEBANON TOWNSHIP
Lebanon County, Pa.

GOVERNMENTAL ORGANIZATION



CHAPTER III

ADMINISTRATIVE METHODS AND PROCEDURE

It is generally agreed that greater efficiency and definiteness of responsibility are promoted by vesting the care of administrative detail and the policy-determining functions in distinct offices and that the official directing administration should be immediately responsible to those charged with policy determination. It is similarly agreed that the control and direction of administration should be centralized in a single office. One important purpose of the Survey was to determine to what extent a distinction was made between administrative and legislative functions not only by statutory provisions but also in the actual operation of these local units, also to what extent direct administrative responsibility was provided for by statute or in practice. Where these principles have not been observed it was sought to discover what shortcomings, if any, of local administration could be attributed to this failure. Finally an attempt was made to ascertain to what extent procedural defects could be partially or wholly remedied by a greater degree of state supervision.

Responsibility for legislation and administration - The code places all legislative, policy-determining powers in the township board of commissioners. It provides that the board shall have the power to enact ordinances and resolutions by means of which it may perform such governmental functions as are prescribed or permitted by statute. Ordinances must be published and do not take effect until ten days after the date of publication. No such requirement exists in regard to resolutions. This sometimes proves unfortunate in that some boards enact what are really ordinances, but put them in the form of "resolutions" on the ground that they thereby save publication expense. Many of these resolutions are on matters which should be brought to public attention. Particularly is this true where the board violates the provisions of the code and amends a budget ordinance by means of "resolution".

The code also provides that in part the responsibility for administration shall vest in the board. This is accomplished in several ways: (a) Certain administrative duties are placed directly upon the board. It is required to prepare and enact a budget, to file an annual statement of road administration with the State Highway Department; to construct, maintain, and repair highways; to make purchases of supplies; to enter contracts; to hire and/or appoint personnel, etc. (b) Definite administrative duties are attached to specific offices. Most of the officials filling such offices are in turn made responsible to the board. Thus, the board of health or health officer are required to perform specific matters in regard to the regulation of public health, and the secretary is required to maintain an account ledger and to charge expenditures against the proper appropriations. (c) The board has the option of establishing certain offices such as a zoning commission, board of adjustment, shade tree commission, controller, solicitor, engineer, and planning commission, to which offices definite administrative functions have been attached. (d) The board may also establish a township manager and such other offices as are necessary to the good government of the township. Where the board exercises this discretion it is similarly empowered to determine the nature and scope of the administrative duties attached to such offices. (e) With the exception of the treasurer and auditors, the board may vest duties in such offices additional to the ones specifically set forth in the code.

The commissioners are required to organize themselves as a board, biennially, for the purpose of carrying out the above legislative and administrative powers. The code stipulates that such organization shall take place "on the first Monday of January of each even-numbered year", and that if the commissioners fail so to organize themselves "within ten days from the time prescribed by this section, the court of quarter sessions, upon the petition of ten taxable inhabitants,.... shall issue a rule upon the delinquent (commissioner) or delinquents to show cause why their seats should not be declared vacant." After a hearing the court may declare such seats vacant and appoint successors until others are elected at the next municipal election to fill the unexpired terms of those so removed. Organization at biennial intervals is required in order to permit the newly elected commissioners to take their places on the board.

The present statutes permit each township to be divided into wards upon the grant-

ing of a petition. Where such division results in the creation of a number of wards totaling to an even number, political difficulties hinder prompt organization and efficient government. To illustrate: Baldwin township is divided into eight wards from each of which one commissioner is elected. In 1933 the four commissioners from the even-numbered wards were elected while those who had been elected from the odd-numbered wards remained in office. As a result of a deadlock between the old commissioners and the newly elected ones the organization of the board was delayed until April, 1934. Other township business is similarly delayed. This situation provides an excellent opportunity for those officials who are politically minded to press their own advantage at the expense of the township since the compromise usually reached is a political one. If the ward system is to be retained, provision should be made for the election of one commissioner at large in all instances where a township is divided into an even number of wards.

At the time of organization the commissioners are instructed to select a president and vice-president from among their number and to appoint a township secretary who shall not be a member of the board. The general practice of the commissioners is to appoint a number of standing committees at this time. Of twenty-five townships upon which data were obtained: four, Hanover, Newport, Whitehall, and Swatara, have no standing committees; two, Reserve and Wilkes-Barre, appoint standing committees which take the form of committees of the whole, and therefore, can hardly be said to apportion the work of the board, and one, Spring Garden, in lieu of committees apportions the work of the board among the commissioners, making each the head of a department. All the remaining units appointed standing committees having in charge such subjects as highways, police, fire, street lighting, sewers, finance, printing, supplies, ordinance, water supply, sidewalk, public property, public safety, administration, zoning, etc.

The number of the committees and the number of the personnel on each varies considerably. Braddock township sets up three such committees while Haverford creates eleven. The membership ranges from three to seven. In many units one or more of these committees are committees of the whole. This is generally true of the finance committee.

In many townships the evidence shows that committees adopt a formal or routine attitude towards their work. It will be noticed that these duties are both legislative and administrative in character, since they include both preparation of ordinances or resolutions and supervision of administrative services.

Following their organization the commissioners are required to meet monthly, at least this appears to be the general practice. In most townships there are few meetings other than the regular monthly ones, with the exception of the budgeting period. Generally the public does not attend, for two reasons: (a) Lack of interest except in such matters as budgeting and the like. (b) The tendency of some boards to discourage public attendance.

Integrated versus disconnected administration. The township law makes no provision for centralizing responsibility as is clear from the following features: (1) The township treasurer, an elected officer, is empowered to collect revenues and pay out township moneys. (2) Administration of health is placed in the hands of a board of health or a health officer. (3) Certain duties are by law given to expressly designated township officers and agencies, such as the solicitor, and zoning commission, which may be established at the option of the commissioners. The centralization of administrative power and responsibility can be accomplished only by legislative changes vesting such authority in a manager, secretary or controller. This would be desirable.

To what extent have the township boards attempted to centralize control in actual practice? (1) By appointing a manager as in Mt. Lebanon. (2) By vesting power in the hands of the secretary, as has been done in Lower Merion and other townships. (3) By placing one commissioner in charge of a certain function such as highways, as in Spring Garden township. (4) By placing all administrative power in each ward in the hands of its commissioners, as in Whitehall. (5) By placing all road supervision in a ward in the hands of the ward representative on the commission as in Pennsylvania. (6) By distributing functions to different committees. (7) By retaining control of all mat-

ters in the control of the board itself. Many townships use a combination of several methods. The general practice has been to decentralize control. Progress towards centralization must come by statutory changes.

Control of General Administration. This includes keeping of accounts, collections of revenues, care of public property, payment of moneys, publication of ordinances, printing, postage, and purchase of supplies. Such power reposes by statute in the hands of the commissioners, secretary and treasurer. The collection and disbursement of moneys belongs in the province of the treasurer and the keeping of accounts in the province of the secretary. Other powers are in the hands of the commissioners. They may exercise these functions themselves or delegate them to township officers. As a rule, commissioners in the larger urban townships tend to give this work to the secretary. In the smaller, rural areas such duties are handled by the commissioners themselves.

The average length of service of the secretary in twenty-three townships was nine years. One secretary served twenty-three consecutive years. Compensation ranged from $100 per year in West Lebanon to $6,500 in Lower Merion. Most officials are on part-time only. In only four of the twenty-three secretaries' offices were there assistants. The secretary, except for the treasurer, is usually the highest paid township officer.

That the commissioners should be divested of any immediate supervision of administrative detail will perhaps be clear from the following considerations: (a) They are all-part time officials receiving a very small compensation. (b) They usually tend to be influenced by the district or ward which they represent and consequently tend to neglect administrative matters except in so far as their own particular section of the township is affected. This is particularly true where the township is divided into wards. (c) Their length of service is considerably shorter than that of the secretaries. Data were obtained on the length of service of ninety-two out of one-hundred and seven commissioners in sixteen townships. The length of service ranged from one to twenty years and the average number of years served was 5.08 or approximately four years less than the average of the secretaries. Of the remaining fifteen commissioners, thirteen were serving their first term and two their second. (d) Efficient government profits from a separation between legislative and administrative authority, and, between the appropriating and spending authority. (e) Administration calls for a knowledge of, and attention to, numerous factual and detailed matters; these can only be mastered by some official who can devote all or the greater portion of his time to the work.

Several of the commissioners who were opposed to divesting the office of administrative powers suggested that the salary should be so increased as to permit the commissioners to devote more time to township affairs. This solution was generally opposed by everyone except the commissioners themselves and many of these expressed themselves against such proposal. It is felt that this would afford no adequate remedy since such provision would thrust too great a financial burden on the smaller townships, would cost more than the employment of a full time secretary, would not separate administrative and legislative authority, and would generally make the office of commissioner more political in character.

Both the township ordinances and their administration are adversely affected by the practice of dividing townships into wards and electing one commissioner from each of these districts. All branches of administration, general, highways, police and fire protection, sewers and the like are impaired.

The general practice is to permit the individual commissioners, the secretary, and other township officials to purchase supplies and have the bills therefor sent to the secretary. Near the end of the month these bills are presented to the board for approval after which, if approved, warrants are issued for their payment. In many of the townships the bills are first approved by the finance or other committees and then recommended for payment to the board. In any event the purchases are generally not made through a single office such as that of the secretary or manager. Obviously such a purchasing method is uneconomical and open to serious political implications.

The practice among the better managed townships is to have all purchases made through the office of the secretary by means of requisitions presented by the commission-

ers and other local officials. While this system is most productive of large savings in such townships as Mt. Lebanon, Lower Merion, and Haverford there is no sound reason why similar practices should not be instituted in the smaller townships.

Highway Administration - The control and supervision of the construction, maintenance, and repair of highways is vested in one of the following authorities: (a) The board of commissioners as a group. (b) The individual ward commissioners. (c) The township engineer or the superintendent of roads. (d) The township manager or secretary. And (e), the commissioner selected to head the highway department.

In those townships such as West Lebanon, Annville, Braddock, Wilkes-Barre, West Norriton, and Swatara, where the board directly controls and supervises the construction and maintenance of highways, the practice is to hire a road foreman or supervisor. These men are paid a small compensation either in the form of an hourly rate slightly in advance of that paid to the laborers, as in Annville where the rate is fixed at forty cents per hour, or a small salary stipend, as in West Lebanon where the pay is eighty dollars per month. The road foremen are in effect, mere "gang" foremen who are directly controlled and supervised by the board. The methods of road maintenance are not of the best and this defect is not remedied by the supervision of commissioners who generally are no better informed upon matters of highway administration than is the foreman whom they are directing.

One of the most unfortunate methods of administration is that of placing the township roads in each ward under the control of the ward commissioner. The general practice is for the board to make a specific appropriation to the ward commissioners upon the basis of the total number of township-maintained road miles in each ward. The ward commissioner is then given full discretion in the spending of this sum.

The fact that the road conditions within a single township tend to be similar and that the boards universally determine the sums allotted on the total road mileage of each ward indicates that a cost per mile tabulation derived from a comparison of the sums expended in each ward with the total road mileage of such ward should provide a fair index of the character of this form of highway administration. The results obtained in Penn township are typical:

Ward	1933 Expend.	Total Twp. Miles	Cost per Mile
1st	$1,099.76	2.62	$ 419.75
2nd	1,559.99	5.26	296.58
3rd	1,449.94	6.12	236.92
4th	2,799.41	13.28	210.79
5th	2,001.78	4.78	418.78
6th	1,997.15	6.23	320.57
7th	249.42	0.87	286.69
8th	1,864.31	5.09	366.27
9th	2,298.95	6.68	344.12
10th	485.12	1.70	285.36
11th	1,699.92	4.18	406.68

There is a variation of approximately two hundred and twenty-dollars between the highest and lowest costs per mile. Since the variation exists within the bounds of a single township which has a total mileage of township maintained highways of slightly over forty-six miles (46.45) and of which total less than three miles are "improved" highway, it would seem that the difference is primarily one of differences in administrative efficiency. It is significant that in this township each ward commissioner takes direct charge of road maintenance without the assistance of a road foreman.

A number of townships such as Nether Providence, Baldwin, Harrison, and Shaler, place the control and supervision of highway administration in a road supervisor or superintendent who is appointed by the board and is directly responsible to it. The exact powers of such officials are difficult of determination but generally they are given the power of hiring and firing, purchasing directly or through the secretary, determining the character and extent of repairs and the like. No comparison of costs per mile

can be made between these townships and those in which other methods of administration are in vogue, because of the variations as to miles of improved roads, differences in types of improved roads, and differences of other conditions such as subsoil, wage rates, and drainage. It is evident that much more efficient methods can be utilized by an experienced supervisor than by commissioners and that the opportunities for political influences are smaller.

Those townships which vest control of highway administration in the office of secretary or manager generally combine such authority upon the part of the latter with a direct responsibility either to the board or to the highway committee of the board. In none of these cases does the secretary actually supervise highway administration. He delegates this duty to a highway director, township engineer or the like who is made responsible to the secretary. In several cases the office of the secretary has very little control, such control being actually exercised by a highway committee. All of the highly urbanized and wealthier townships provide for some such form of highway administration.

Of the twenty-five townships upon which data were obtained, Spring Garden alone provided for the administration of highways by a so-called highway department headed by a commissioner. In fact this was the only unit where administrative functions were combined in five departments under the control of one of the five commissioners. The commissioner of the highway department also acts as supervisor since no road foreman is designated.

As this summary indicates, there is no uniform control of highway administration. Each township has employed the particular procedure that suited its own tastes.

The total miles of first class township-maintained highways in the Commonwealth are approximately one thousand six hundred and sixty-eight. Of this total approximately eight hundred and twenty miles are "improved" while slightly more (847.95 miles) are unimproved. If the road mileage of the larger townships such as Lower Merion, Upper Darby, and Mt. Lebanon were to be subtracted from this total, the remainder would be under one thousand miles. This fact combined with the number of highway miles within these townships now maintained by the state indicates the desirability of divesting the numerous local units of this function and centralizing it in either the county or state governments, except in the larger semi-urban units.

This conclusion is further supported by the character of the administration by local officials. The following townships among others do not employ a regular road force but hire a large number of men for a few days labor off and on during the year:- Whitehall, Newport, West Lebanon, Braddock, Baldwin, and Plains. The regularly employed force of those townships is generally small; in Annville, the road foreman and one laborer; Reserve and Tinicum, two laborers regularly employed; Harrison, five; Spring Garden, three; Nether Providence, road foreman and two laborers; Swatara, four; Shaler and Mt. Lebanon, fourteen. One township, Wilkes-Barre, has no road force and makes only such expenditures for roads as are absolutely unavoidable.

Several units, Braddock, Baldwin, Swatara, and others, permit local taxpayers to work out their taxes upon the roads. This is a relief measure and while not many of the townships permit it, the practice of employing a large number of men for a short period during the year amounts to the same. West Lebanon township paid out three hundred and sixteen dollars in wages for road labor in 1933. This sum was distributed among approximately fifty individuals, each being hired for a day or two at the rate of three dollars and fifty cents per day. In Whitehall township approximately one hundred and ninety-five individuals were employed on the road during the same period. The number so employed in Newport was even greater than that in Whitehall. It is difficult to see how the acknowledged low efficiency of road work can be improved by a personnel recruited in this way.

TABLE I

COMPARISON OF HIGHWAY AND TOTAL EXPENDITURES, 1933
for 50 Townships

Township	Highway Expenditures	Total Expenditures	Ratio Highway to Total Exp.
Upper Darby	$ 65,540	$1,210,195	5.41%
Lower Merion	255,107	876,570	29.10
Coal	42,037	190,800	22.03
Abington	57,920	432,196	13.40
Hanover	11,314	229,718	4.93
Cheltenham	70,800	513,833	13.78
Mt. Lebanon	24,562	317,102	7.75
Stowe	11,025	95,785	11.51
Penn	34,065	108,328	31.45
Harrison	16,441	91,089	18.05
Newport	19,810	168,632	11.75
Whitehall	47,297	125,837	37.59
Shaler	18,084	160,586	11.26
South Fayette	8,334	13,324	62.55
Mifflin	8,806	32,358	27.06
Elizabeth	7,357	17,245	42.66
Baldwin	7,003	59,083	11.85
Swatara	4,384	12,570	34.88
Scott	8,078	42,632	18.95
Collier	6,255	14,550	42.99
East Bethlehem	6,030	15,420	39.11
North Versailles	9,154	27,279	33.56
Springfield (Montg. Co.)	33,807	141,269	27.47
O'Hara	14,310	32,831	43.59
Spring Garden	11,424	40,414	28.27
Springfield (Del. Co.)	8,702	78,640	11.07
Plymouth	13,006	22,591	57.57
Jefferson	6,984	11,296	61.83
Upper Moreland	11,855	58,300	20.33
East Deer	6,139	47,533	12.92
Tinicum	9,986	62,947	15.86
Lower Chichester	2,731	14,670	18.62
Lawrence Park	9,491	36,992	25.66
Reserve	2,854	21,555	13.24
Lackawanna	2,546	5,879	43.31
Annville	4,461	14,796	30.15
Nether Providence	6,619	21,256	31.14
Darby	1,260	16,579	7.60
West Norriton	8,842	19,508	45.32
Rochester	2,469	11,446	21.57
Patterson	3,975	10,553	37.67
Braddock	834	17,778	4.69
Springdale	630	2,484	25.36
Neville	2,464	57,666	4.27
Leet	1,101	8,668	12.70
Crescent	2,487	5,806	58.06
White	774	3,052	30.52
West Lebanon	1,446	6,793	21.29
Borough	109	6,298	1.73
South Versailles	312	453	68.87

Some indication of the relative importance of highway administration is shown by the above table. It shows the great differences that exist among the townships of the first class. Those which spend most of their money on roads are the rural ones. None of such rural units should be first class townships since they are indistinguishable from those

of the second class which are also rural and which spend the greater amount of their revenues for road administration. The urban communities, on the other hand, spend a relatively much smaller amount on highways since they make large expenditures for such matters as street lighting, sewers, zoning, fire and police protection, building regulations, parks, recreation and the like.

Finally, it may be noted that the townships which spend the larger proportion of their funds for highways are also the ones in which highway administration is most defective. In most of these units no regular road force is employed, and control or supervision is retained in the board or the individual commissioners thereof. The townships where the proportion of total road expenditures is smaller, on the other hand, have generally centralized control and supervision of highway administration in one official, and employ a regular road force.

Sewer Administration - Most of the townships visited had no sewerage system, this being taken care of by the installation of cesspools. In the eleven which had sewers only a portion of the community was served. Of these eleven only five had provided for a separate administration of sewers, the remainder taking care of this matter through their highway forces. Six of the eleven townships had entered into agreements with other local units for the construction, maintenance or operation of their systems.

The regional character of this function requires that it be placed under the control and supervision of regional bodies in those cases where a township is located within a large metropolitan area.

Health Administration - This function is vested in the board of health or, where the commissioners by ordinance so provide, in a single health officer. In only two units, Annville and Braddock, has the township board so provided. In Reserve the Health Board, contrary to the code, is comprised of only four members each of whom is elected from one of the four wards. Where a board exists it is to be composed of five members one of whom must be a physician. This requirement was not met in at least four of the twenty-five units, Wilkes-Barre, South Fayette, Leet, and West Lebanon. The board is instructed to appoint a health officer whose duties are generally the same as those of the health officer appointed by the township commissioners. These duties may be briefly described: To enforce the state health laws, to enforce local health regulations, to inspect restaurants and other public places, to quarantine those afflicted with contagious diseases, to abate nuisances, to inspect house drains, soil pipes, cesspools, and the like. The board of health or health officer is further empowered to: enact and publish local health regulations, create emergency hospitals, etc.

These broad powers are rarely used except in the more thickly populated townships. Only nine of the twenty-five townships had established the office of plumbing inspector. Several townships provide for some form of food inspection in addition to that of the health officer. Three townships employed or contributed to the salary of a community nurse. Several units have entered an agreement with nearby hospitals for the placing of those afflicted with contagious diseases in hospital wards maintained for that purpose at a stipulated weekly or monthly rate.

In the great majority of cases the township provides no other health services than those performed by the health officer. This latter official is a part-time officer in twenty-one of the twenty-five townships studied, the salary range being from sixty dollars, in Leet, to two thousand five hundred and sixty dollars per annum in Lower Merion. The restricted character of the duties performed, the part-time nature of the position, and the lack of training on the part of the personnel all indicate that in the greater number of townships of this class, the administration of health should be taken over by the Commonwealth as has been the case in the second class townships.

Police Administration - The code permits the commissioners to establish a police force and to set up a pension system for their retirement. Seven of the twenty-five townships make no provision for police protection other than that which is provided by the regular township constables. Of the remaining eighteen, only ten employ one or more full-time officers the salary range being from four thousand three hundred and twenty, in Lower Merion for the chief of police, to sixty dollars per annum in Braddock. The larger townships such as Lower Merion, Upper Darby, Haverford, Mt. Lebanon, and others

employ a chief and a number of subordinates. The smaller townships employ only one or two part-time policemen.

Fire Protection - The code provides the commissioners with the power to: create fire and water districts and to levy a special tax upon such districts for purposes of fire protection; to make fire regulations; to purchase equipment; to donate to volunteer companies; and to establish suitable places for the housing of fire apparatus.

None of the townships have established their own fire houses. The general practice is to either donate to the volunteer companies or to purchase equipment for them and in a few cases the township commissioners do both. This aid is supplemented by the amounts which the local units receive from the state on foreign insurance premiums.

The administration of these companies is generally retained in the volunteer organizations which designate an individual member to serve as chief of the company. In some townships, the commissioners annually appoint the chief of one of these companies, on the basis of rotation, as the township fire chief who serves without pay. In only seven of the twenty-five townships did the commissioners appoint a fire chief or marshall who received some compensation, and in one of these the offices of fire and police chief were combined in one person. Two townships, South Fayette and Wilkes-Barre, were entirely dependent upon adjoining municipalities for their fire protection as they had neither volunteer nor township companies.

None of the governmental services are more in need of some form of centralized administration than that of fire protection. The practice of making donations to the volunteer companies with no supervision of the manner in which the money is spent, of permitting these companies to generally purchase and designate their own type of equipment, of permitting them to select their own chiefs, and of allowing each of the volunteer companies within the township to run its own affairs without any supervision upon the part of the township officials tends toward a minmum of fire protection at a maximum cost.

Most of the units cannot afford to appoint a full-time chief or even a part-time one who will be sufficiently compensated for actually supervising this service. However, no sound reason appears why such control and supervision of fire administration should not be placed in the township secretary along with his other administrative functions. If no provision is made for the centralization of all administration in the secretary's office or a similar one, the legislature should, nevertheless, provide for such centralization in the case of fire protection. This provision should be so worded as to place supervision in the secretary, in those townships where the commissioners do not appoint a fire chief with similar authority.

Zoning Administration - The commissioners are authorized to make regulations concerning the foundations, drainage, size, etc., of buildings whether or not they establish a zoning system. Where the latter is created, the location, use, height, etc. of all buildings may be regulated in relation to zoning districts. The actual administration of the former is usually vested in a building inspector who may be directly responsible either to the township secretary, the board, or some other official. Zoning administration is vested in a zoning commission or a board of adjustment, whichever the board of commissioners establishes. A building and zonirg code or ordinance is usually adopted by the board setting out the regulations in detail and designating the enforcing officials.

Only eleven of the twenty-five townships have provided for any form of building regulation. In several of these - Braddock, Baldwin, and Hanover - little, if any real regulation and enforcement is attempted. Eight of the twenty-five have adopted a zoning system and in one of these eight, Baldwin, the provisions are not generally enforced. All of these units are predominantly urban in character.

Miscellaneous Services - Several townships provide other services such as playgrounds, parks, libraries, and water supply. One township, Mt. Lebanon, has established a public library to which it contributes, while several others contribute an annual sum to an established public library within the township. A number of the units

have also established their own water systems; and a few purchase their water supply from some adjoining municipality or a public utility and then in turn sell it to their residents. None of the twenty-five townships had entered any public utility enterprise other than that of water supply.

Inter-Municipal Agreements - The code is extremely liberal in permitting townships to enter into agreements with other municipalities for the joint performance of governmental services. Thus, the commissioners may enter such agreements for the joint construction and maintenance of highways, sewers, and water works; the establishment and operation of "parks, playgrounds, playfields, gymnasiums, public baths, swimming pools, or indoor recreation centers", the administration and enforcement of health laws, and the like. A number of townships have utilized this authority.

Thirteen agreements relating to the construction, maintenance, and repair of sewer lines and disposal plants were in operation among those units visited. These agreements are all of the same general type providing that each of the municipalities to the contract pay a specified proportion of the construction and maintenance expense.

The problem of sewage disposal is not a local problem. Those townships situated within metropolitan or large urban centers such as Philadelphia and Pittsburgh should have their systems planned and constructed as a portion of a unified network of disposal plants and trunk lines. In actual practice one or more of these local communities establish a sewer system that is adaptable to its local watersheds. Where this is done it is usually preceded by endless bickering as to division of costs, type of system, and the like, often ending in the refusal of one or more of the municipalities to go through with the agreement. As other adjoining communities develop and require the extablishment of some form of sewage disposal they are compelled, where topographical conditions make it necessary, to make some form of arrangement with another municipality. The advantage which one community has topographically over another permits it to impose its conditions in any agreement that is effected.

The Borough of Narberth and Lower Merion have made an agreement whereby the latter township provides police protection for the former upon a purely cost basis. No other formal agreement concerning police services was found although several other units have understandings whereby they may call upon either the state police or those of an adjoining municipality whenever police protection is needed.

Several informal arrangements exist as to fire protection. South Fayette township which has no local fire companies has an understanding with the adjoining boroughs of Oakdale and Bridgeville whereby the latter provide such protection and are paid by the township on the basis of service rendered. An exchange of services has been arranged between Spring Garden and the city of York, and between Mt. Lebanon and adjacent municipalities.

Two agreements as to health administration have been set up by the townships of Lower Merion and Leet respectively. The former township has entered into an arrangement with adjoining municipalities for the maintenance of an office to analyse milk and milk products. The latter unit has joined with adjacent municipalities for the maintenance of a community nurse.

The existence of many of these agreements indicates the inability of townships to individually bear the cost of certain services. Where such services are not purely local matters such as highways and sewage disposal, the control of the service should be placed in an authority that is capable of coping with the problem presented. Where the agreements concern the more efficient or economical performance of local services they should be encouraged by some form of initiative upon the part of a state agency.

CONCLUSIONS

(1) FINDING: Administrative and policy-determining functions are indiscriminately combined in the board of township commissioners, both by statute and in the practical operation of government. This has resulted in uneconomical and inefficient administration in the performance of such functions as highway construction and mainten-

ance, the purchasing of supplies, fire and police protection and the like.
RECOMMENDATION: That the township board of commissioners be divested of all immediate supervision of administrative matters.

(2) FINDING: Immediate control and supervision of administration is differently divided both by statute and in actual practice among numerous township offices some of which are responsible to the commissioners and some of which are not.
RECOMMENDATION: That authority for the direct control and supervision of administrative matters be vested in a single official such as the township manager or secretary who shall be made directly responsible to the board of township commissioners.

(3) FINDING: The present system of dividing control over matters of general administration viz., the keeping of accounts, the purchasing of supplies, the care of public property, the payment of moneys, and the like among the commissioners, township secretary treasurer and other local officials is uneconomical and inefficient.
RECOMMENDATION: That in the event recommendation number two is not adopted, all control and supervision of general administration be vested in the office of the township secretary.

(4) FINDING: The small mileage of township maintained roads within the townships of the first class does not justify the needless duplication of personnel and equipment that is necessitated by the retention of local control over this function. The problem of street construction and maintenance is primarily a local problem and as such should remain within the control of the urban townships.
RECOMMENDATION: That all township-maintained roads or highways be taken over by the Commonwealth. That all street construction and maintenance be continued as a local function. That whenever a township opens a street or whenever any highway or portion thereof becomes a street, the construction and maintenance of the same shall come within the control of the local unit.

(5) FINDING: The practice of dividing the control and supervision of highway administration among the ward commissioners is attended by high costs and general ineffective administration.
RECOMMENDATION: That the practice of placing each ward commissioner in charge of the township highways or streets within his ward be prohibited by statute.

(6) FINDING: The administration of health laws is at present vested in part-time, untrained local health officers. Their duties, in all but the predominantly urban communities, are very restricted in scope and perfunctorily performed. The small sums expended by the individual townships do not permit of more efficient health service and yet such sums taken in the aggregate constitute a considerable amount.
RECOMMENDATION: That the responsibility for health administration be vested in the Commonwealth for all townships which are unable to employ full-time personnel.

(7) FINDING: The township authorities either donate money to, or purchase equipment and supplies for, the volunteer fire companies within the township. In most of the townships the management of the equipment and the expenditure of the money donated is neither controlled or supervised by the local board or officials. The general practice is for the board to permit each company to elect its own chief to direct its activities. Occasionally townships appoint one of these chiefs, in rotation, township fire chief. Little or no authority and small remuneration accompany the office.
RECOMMENDATION: That in the event recommendation number two is not adopted, the commissioners be required to either hire a full-time fire chief where taxable resources and need would justify such procedure, or where this is not necessary, to vest the control and supervision of fire administration in the township secretary. That the township commissioners be prohibited from purchasing equipment for, or making donations to, volunteer fire companies where these conditions are not met.

(8) FINDING: Those townships situated within large urban centers are compelled to enter

numerous agreements for the performance of such services as sewage disposal, police protection, and water supply. The agreements so reached are not sufficiently integrated with regional needs and planning.

RECOMMENDATION: That consideration be given to the establishment of regional bodies for the purpose of centralizing regional functions such as sewage disposal, zoning, and the like.

CHAPTER IV

ACCOUNTING PROCEDURE

In the fiscal operations of a township, an accounting system offers the mechanism by which, and by which only, the financial operations of the unit may be organized and planned. (1) It provides the basis for the estimation of revenues. No accurate estimate of anticipated receipts from taxes can be reached unless the accounting system shows prior years' tax collections, tax delinquencies, penalties, exonerations, and collections from past due and liened taxes. No accurate estimate of expected total revenues can be attained unless the ledgers show collections from other sources such as licenses, departmental earnings, fines, grants, special assessments and the like in previous years. (2) It provides the basis for the estimation of expenditures. An accurate estimate of probable needs or expenditures requires that the bookkeeping system shall depict the amounts expended in prior years for the specific purposes of each major function, viz.; highways, highway materials, labor, machinery, repairs, construction; total amount spent for police, personnel, supplies, capital outlays, and the like. (3) It provides the basis for the adjustment of estimated needs to anticipated revenues. It is impossible to operate any governmental unit within the limits of its current income without an approximately accurate knowledge of the expectable income and the anticipated needs of the unit governed. It is likewise impossible to plan indebtedness where there is no distinction available as to indebtedness incurred for the current operations of government and for that incurred to meet capital outlays. (4) As a corollary to (3), it provides the basis for a knowledge of functional costs. Unless the budgeting authority knows exactly how much has been expended upon such matters as highways, sewers, health, administration, etc., in previous years, such authority faces an impossible task in the face of declining revenues in attempting to restrict estimated expenditures within the limits of anticipated revenues. Shall expenditures be decreased for highways or health, or administration. Obviously, no answer can be given to such questions until it is known what was previously expended for these functions and how much of such functional expenditure is in the nature of fixed or absolutely essential costs. (5) It provides the only basis for budgetary control. How can a unit continue to operate fiscally within its budget plan unless it can at any given time compare its operations to date with the limits set to such operations in its budget. The answer is that it cannot, unless its operations are so portrayed in its accounting system that a comparison of its actual and proposed operations is readily available.

It will be seen that these five purposes or ends of an accounting system provide the foundation stones for budgeting. But the most complete ledger accounts are of little value unless the responsible personnel can utilize them. This raises another problem i.e. to formulate an accounting system that will meet the above purposes and yet be sufficiently simple for operation by the type of local personnel usually charged with fiscal affairs.

There is still another basic function of an adequate accounting system. It should be designed not only to aid officials in planning fiscal affairs of the unit but also to make these affairs readily understandable by the average layman-taxpayer. This latter purpose is too often ignored not only by the officials themselves but also by those seeking improvements in fiscal procedures. Accounting must either be so designed as to carry out its basic fiscal purposes and be readily understandable to the layman, or it must be so designed that it may readily be translated by officials into such understandable form, and it must be made mandatory upon such officials so to translate township accounts and present them to the public. If local self government is to survive, two elements are necessary: (a) Knowledge of governmental operations upon the part of the citizen-taxpayer; and (b) participation by such informed citizens in the budgeting and other policy-determining processes of government. Under our present practices of accounting, budgeting, auditing and reporting the officials themselves are usually ignorant of the true state of affairs.

Accounting practices - To what extent do existing accounting practices perform the above functions? If they do not, is this ascribable to faulty and inadequate statutory provisions? To the township personnel invested with authority over fiscal operations? To the lack of any guidance by some outside source such as a state agency?

1. The keeping of township accounts - Who shall be responsible for the maintaining of all township accounts? The code and relevant statutory provisions give no answer. The code provides as follows:

> The secretary "shall provide suitable books, the cost of which shall be paid out of the township funds, wherein he shall enter all matters of which he is required to keep a record" (Section 901).
>
> "The secretary of a township shall keep a record of the appropriations made by the township commissioners and the amounts chargeable thereto. He shall furnish to any person so requesting, a statement showing the amount available for future charges against any appropriated fund" (Section 902).
>
> "Every township treasurer shall take charge of all township moneys from all sources, and promptly deposit the same in a bank.....and keep distinct accounts of all sums received from taxes and other sources, which accounts shall at all times be open to the inspection of the commissioners and township auditor or controller" (Section 803).
>
> "The treasurer shall, on the first day of each month, make a true statement, in writing, to the secretary of the Board of Township Commissioners, of all taxes collected during the previous month, giving names of taxables and the amount collected from each and the total amount received" (Section 1716).

The statute would seem to indicate that the keeping of revenue accounts is to vest in the treasurer, the keeping of expenditure accounts, with such other accounts as the commissioners might authorize the secretary to keep, is to vest in the secretary, and that by means of cooperation between the secretary and treasurer combined with such monthly statements of revenues, the secretary would be sufficiently informed of revenue receipts. In any event such is the general practice. The effect and probable intent of the statute is to divide responsibility for the keeping of the township accounts between the treasurer and the secretary. The results have been wholly bad.

Data on thirteen townships reveal that: (a) In seven, the treasurer made complete monthly reports to the secretary. (b) In two, no reports were made, the secretary being compelled to depend on the bank balance statements. (c) In two, no such reports were made until recently, when the treasurer was finally induced, through pressure by the secretary, to make occasional reports. (d) In one township monthly statements were exchanged, but they were of such defective character that they have not been balanced for years.

The first requisite of any accounting system, or for the performance of any duty for that matter, is the designation of some one to be responsible for the administration of the function. All township accounts should be kept by the secretary and if the present legislature abolishes the local tax collector this result will be automatically achieved in the first class townships. In addition the statute should specifically charge the secretary with the duty of maintaining a record of the revenues received, nature of sources, and the like. The general practice at the present time is for the secretary to transcribe such monthly reports of the treasurer in the township minutes book where it is rapidly forgotten; in a few cases such statements are merely filed without any transcription.

Naturally, there are many townships where complete cooperation exists between the offices of the secretary and treasurer. This group, however, comprises a relatively small portion of the first class townships in the State.

2. Types of township accounts - In what form or forms shall the accounts of fiscal operations be kept? In effect the statutory provisions permit the local units to prescribe whatever accounting system they deem necessary. Consequently, each township has set up its own system, each of which differs from all the others. The well-nigh universal practice in accounting, among these units, is to set up a general fund to which all receipts are allocated and from which expenditures are made in accordance with

the specific appropriations set forth in the budget ordinance. While this is the basic procedure there are so many variations that it is impossible to arrive at any definite classification of the accounting systems. Broadly, however, the following types may be described:

(a) Those townships in which only a general fund exists. This is the simplest type of bookkeeping. All receipts are entered in this fund as debit items and the expenditures or warrants are paid out of this fund and listed as credit items. At the end of the year the balance between these two is struck and the cash balances indicated.

(b) Those townships in which all revenues and expenditures are set up as credit and debit items of a general fund and in which are also maintained separate accounts for such matters as bonded indebtedness, sewer, highway, etc., construction, savings accounts, and the like. This accounting procedure goes one step further than the first in that the appropriation made by the commissioners is followed by an actual cash transaction in which either the sum of the appropriation or a lesser amount is actually set aside for debt retirement purposes and a separate account of such fund is made and retained.

(c) Those townships which maintain two or more distinct funds such as general fund, sinking fund, highway fund and the like. The general practice is that of setting up a general fund and in addition thereto some form of indebtedness fund and one or more capital outlay funds such as sewer extension fund, paving construction fund, etc. These funds are maintained as distinct in that: (1) Revenues are allocated directly to each separate fund instead of by way of an appropriation from the general fund. (2) Expenditures are paid directly from each separate fund and listed as credit items against the debit items, (revenues) of each fund separately. (3) Cash balances are maintained for each fund separately. And (4), transfers within these distinct funds are restricted to such transfers as in effect amount to a temporary loan from one fund to another or such transfers as are based on the need of charging against one fund an expenditure, properly assignable to it, that has been made out of another fund for reasons of convenience or necessity. Where these four elements are missing there can in reality be no separate funds since such matters as are set up separately from the general fund merely amount to the setting up of an account of one or more of the several general fund transactions or operations.

(d) Those townships in which a general and one or more additional funds are maintained distinct from each other and in which one or more transactions or operations of the general fund are set up separately into a specific account. A list of the funds which are set up independently of the general fund will prove instructive. In one township such funds are created for: health (milk control phase only), sewers (lateral connections and minor incidentals only), highways (curbing and sidewalks primarily), sewer construction; in a second for: electric lighting, sewers, and water supply; in a third for: fire; in a fourth for: a general savings account. These do not include the indebtedness funds such as special assessment funds, paving (assessment) funds, bond and sinking funds. A list of accounts of the general fund operations would prove just as varied.

3. Revenue and expenditure accounting - First as to revenues, how are they accounted for? The division of responsiblity between the township secretary and the treasurer as to revenue accounting has been previously mentioned. There is no uniformity of practice. Among the smaller units the general custom appears to be for the secretary to copy the statement received from the treasurer into the minutes book or if such statement is not available to compile some statement from the receipts that go through the secretary's hands and attempt to obtain data on the remainder either by inquiry of the treasurer or from the bank statements where these are sufficiently detailed. In at least four townships where access was had to the minutes book these revenues were itemized and totalled for the month. However, the sources of revenue were not separated by columns, all amounts received being placed in one column and totaled, with a few words placed before each amount stating its source. This was the sole record of receipts in such townships aside from the accounts maintained by the treasurer. If the statements of the officials may be accepted this is the bookkeeping process of the smaller units, there being no record of such receipts other than that in the minutes

books, the monthly statements of the treasurer to the secretary where such statements were kept, and the accounts of the treasurer himself. These minutes are generally in long hand, and since calculating machines are not available, many errors creep in. Thus in one township the receipts in the minutes book totaled $10,012.82 while the auditors report showed a total of $9,401.89 though the difference in the two figures is partially accounted for by the failure of the auditors to include a temporary loan of $650 in their audit. In a second unit the receipts for the fiscal year 1933 totaled $15,559 in the secretary's book (though his total was not checked) whereas the auditors report showed only a total of $15,163.92.

Among the smaller group of larger and wealthier townships revenue receipts are entered into a separate ledger at monthly intervals. These ledger books are so arranged as to permit the allocation of the various items of revenues to their proper sources. Consequently a brief glance at such ledgers indicates not only the total revenue receipts for the month but also the amounts received from each source such as current and past due tax collections, special assessments, licenses, permits and the like. In several cases these ledgers also contain a statement of the deposit of these revenues upon the basis of the monthly bank and treasurers' statement.

More specifically the following methods were observed: (1) The keeping of separate ledger accounts in which all receipts are specifically itemized and allocated, monthly and yearly totals being inserted. (2) The recording of itemized but not allocated revenues in the minutes books with totals struck in some cases and not in others. (3) The recording of itemized and allocated expenditures and revenues in a single loose leaf book showing balances remaining for various appropriations and cash balance in bank. (4) The filing of the treasurer's report without transcription upon any ledger or minutes book.

Expenditure accounting. Where all fiscal operations are based upon a general fund all sums expended are listed as credit items. Where independent funds exist in addition to the general fund, expenditures will be classified on the basis of the various funds and the sums expended entered as credit items in the appropriate one viz.: where there is an independent sinking fund such expenditures as bond redemption, interest on debt, state bond tax, and other debt charges will be entered as credit items in the sinking fund. It is instructive that even in regard to such a restricted subject matter as just exemplified there is no uniformity of practice. Thus one township will charge all items but redemption of principal against the general fund while in another, interest, state tax, and principal payments will be charged against the sinking fund and in still others these debt charges will be credited in each fund indiscriminately as it seems convenient.

Regardless of the number or nature of funds set up, the general practice is to enter all expenditures in the minutes book and also in what is usually termed an "appropriation book". In this latter book the secretary will enter the appropriations made by the commissioners and then proceed to allocate the sums expended to these various appropriations. A few townships have established an accounting system in which expenditures are not only entered against particular appropriations but also allocated to specific purposes. To illustrate: In 1933 the Spring Garden township commissioners appropriated $10,600 for highways as follows; $7,500 for stone and material, $100 for team hire, and $3,000 for salaries. As bills are paid for road purposes these same payments will be allocated to one of these three purposes.

A small number have established an accounting system which provides for the specific allocation of all sums expended, according to a detailed classification, and in addition includes the "double entry" method of bookkeeping. Under this system all bills that are approved for payment are immediately entered in the ledger, against the sum appropriated, as debit items and upon actual payment are again entered as credit items. This system is especially needed as a form of budgetary practice since it shows immediately the actual amount of obligations incurred against a specific appropriation and the amount of bills payable.

The general practice in all townships is to enter bills approved and bills paid in the minutes book. In some townships the warrant number and the purpose for which the expenditure was made are given. In others only the warrant number and amount are given.

Incredible as it may seem there are several townships where the only record of expenditures to be found is in this book.

Types of books kept in various townships. Perhaps no better illustration of the lack of uniformity and the absence of any adequate accounting system can be given than a brief description of such books.

Annville:
- Minutes book.
- Loose leaf typewritten ordinance book.
- Appropriation book - an ordinary inexpensive note book such as children use for school purposes. Bills charged against appropriate appropriation with amount and purpose listed. Totals at irregular intervals and annually. No allocation. No statement of bills payable.

West Lebanon:
- Minutes book - the sole book. All ordinances kept here. Receipts and expenditures listed with amounts and sources and/or purposes. Monthly and yearly totals given. No attempt at either allocation of receipts or expenditures. Balances between actual expenditures and appropriations shown at irregular intervals. No statement of bills payable.

South Fayette:
- Minutes book - Ordinances receipts and expenditures entered.
- Appropriation book - Monthly disbursements listed by warrant for each appropriation and without specifying purpose of sums expended. Monthly totals of sums expended and balances between appropriations and actual expenditure.
- Road District book - itemized account of all road expenditures for each district. No allocation of expenditures. Monthly totals and balances.

Penn:
- Minutes book - Ordinances, receipts and expenditures entered. Receipts itemized. Expenditures itemized showing warrant number, name of payee, and amounts but not the purposes.
- Ordinance book - in long hand.
- Appropriation book - Expenditures listed against each appropriation. Warrant number, name of payee, and amounts given but not purposes. No allocation of expenditures. No monthly totals or balances.
- Account book - Monthly receipts entered but not totalled. Totals of monthly expenditures entered but not itemized. Yearly balances and totals struck.
- Ward book - Road expenditures itemized but not allocated for each ward.

Elizabeth:
- Minutes book - Ordinances, receipts and expenditures entered.
- Balance book - Balances struck continuously as bills are paid, showing difference between appropriations and actual expenditures.
- Distribution book - Disbursements itemized but not allocated. Yearly recapitulation and balances.

Shaler:
- Minutes book - Total of monthly warrants authorized and itemized, though not allocated, receipts entered.
- Ordinance book - Ordinances pasted in the book.
- Appropriation book - Expenditures entered against proper appropriations. No allocation. Balances and totals carried continuously as bills are paid.
- Analysis book - Expenditures of general and road accounts itemized and allocated.
- Water Ledger Account book - operations of water department entered and analysed.
- Bills Payable book - Bills payable entered and classified according to appropriations.

Sewer Assessment and Lien book - Record of receipts and accounts payable maintained.
Information book - Analysis of police car expenditures, indebtedness maintained. Monthly statements of treasurer entered.

Other illustrations might be given but these suffice to indicate the lack of uniformity and the inadequacy of township accounts. Many divergencies in practice are apparent: (1) Expenditures are not itemized as to purpose in some townships making resort to either the bills or the minutes books (where adequate records are maintained therein) necessary. (2) Generally expenditures are itemized as to purpose but no attempt is made to allocate such sums by segregating the amounts paid for specific purposes. (3) In a small group of units expenditures are both itemized as to purpose and allocated by means of the segregation of the amounts paid for specific purposes. (4) Where expenditures are so allocated the type or classification of purposes differs. (5) A few townships have established the "double entry" type of bookkeeping automatically showing the amount of bills payable. (6) Among the remaining units where the double entry system is not utilized bills payable are either recorded monthly or annually in a separate ledger or such sum cannot be determined without resort to the minutes book.

Enough has been shown to indicate that there is little attention paid to functional cost accounting. Such cost accounting can only be had where a careful classification is made of expenditures, based on the functions performed, and a careful allocation of sums expended to their proper classification. Even such accounting is of small value unless costs within each function are in turn grouped as fixed and flexible costs, personnel and other costs, and similar classes.

The almost universal practice is to set up an accounting system in which expenditures are listed according to appropriations. This means that where the appropriations are not properly classified, the accounts will not be properly classified. Practically all appropriation ordinances contain an appropriation to what is variously termed "general", "general road", "road", "contingent", "miscellaneous" fund. Some units appropriate to two or more such broad purposes such as Harrison township which appropriates to a "contingent fund" (which is in effect an appropriation for administration) and which expends certain sums from a so-called "unappropriated fund" which is in effect the unexpended balance of the operations of the "general fund" in the prior year. This latter fund is at once the basic fund for all expenditures except certain sinking fund payments and the account against which miscellaneous administrative expenditures are charged. While the accounts are here fairly well classified and itemized, the distribution of different types of expenditures within these three so-called funds, contingent, unappropriated, and general, makes a complete statement of functional costs impossible without a reallocation of items between these accounts and without a further classification within each account. Even in these townships where only a "general" appropriation is set up under one name or another the same difficulty appears. The tendency is to include in this broad appropriation many sums expended for items properly coming within some one of the several other appropriations.

Functional costs are as difficult to obtain where several independent funds are maintained. This is true even where such funds are created on a purely functional basis such as funds set up for water departments or sinking funds and where a distinction is made within a function such as capital outlays and operating expenditures, with an independent fund set up for each phase within the function.

The evidence indicates, then, that in most of the townships a true picture of functional costs is unobtainable. This is particularly true of the smaller units which compose the greater number of the townships of this class. The incompleteness and inadequacies of the type of ledger accounts, voucher systems, method of billing, and the recording of minutes by the secretary make it impossible to secure such costs. In the larger townships it was found that these data were not at hand but were only obtainable by resort to various ledger accounts and other sources. Several of the units have established an audit form by means of which such costs are fairly well presented to the local taxpayers and officials in the annual audit statement although such data are not readily available during the year.

That an accounting system which will provide a continuous picture of functional costs during the fiscal year is feasible even for the smaller units is amply demonstrated by the example of several of the smaller townships among which may be mentioned Swatara and Spring Garden. The accounting systems of these two townships present an approximately accurate statement of functional costs which are immediately available without resort to vouchers, bills, minutes, or independent ledger accounts.

Contact with local officials in charge of the maintenance of township accounts revealed that these men are overwhelmingly in favor of the institution of some uniform accounting system. It is significant that not a single official expressed himself against the introduction of uniform accounting although several of them described what they considered to be obstacles in the setting up of such systems. These may be grouped under two headings: (1) The tendency of some officials to resist the introduction of any system that was not substantially like their own because they had either originated their own system, in which case the personal element enters, or because they have by long service become habituated to the present methods. (2) The difficulty of properly classifying the units for such purposes. There is such a great diversity in population, assessed valuation, revenues, expenditures, fiscal operations generally, and governmental problems that many officials felt that it would prove exceedingly difficult to devise a system that would fit all the units in this class. These objections, especially the latter, are of much importance and must be given full consideration in drafting any new system. To them may be added a third, the necessity of devising a simplified plan which can be operated by the local personnel.

4. Uniform reporting - Closely related to the problem of adequate accounting is that of reporting to a central agency the fiscal operations as they are recorded in the local accounts. The objectives of such reporting are: to determine whether the required accounting has been properly undertaken; to ascertain whether, in appropriations and actual sums expended the local officials have complied with the legal requirements as to budgeting; to give the state supervisory authorities all necessary information on local finances; to make possible a comparison of functional costs in different townships (a comparison which would be gladly received by township officers themselves) and to give local taxpayers and officials an accurate and timely picture of the local fiscal operations.

The problem here is two-fold: (a) The need for adequate legislation; (b) The establishment of such uniform accounting, budgetary, and auditing forms as will permit of accurate reporting without the needless duplication of effort now involved in transferring fiscal data from the ledger accounts to divergent auditing and reporting forms.

(a) Present reporting legislation - The revelant statutory provisions are as follows:

> "The township commissioners shall annually, on or before the first day of February in each year, make a sworn statement to the State Department of Highways on blanks furnished to them by the said Department, of the whole amount of tax levied during the preceding year for road and bridge purposes. They shall specify in such report, the amount expended for maintenance or repairs of roads and bridges, for opening and building new roads and bridges, and for macadamizing or otherwise permanently improving roads, the number of miles of roads thus made, and the total number of miles of township roads in the township. Such report shall also contain such other matters and things pertaining to roads and bridges as the department may require" (Section 704).

The statute clearly does not contemplate an annual report of the fiscal operations of the reporting units. It merely provides for what might be termed a report of highway operations. The commissioners are requested to submit data only upon the road tax duplicate and road expenditures. The department is not authorized to request date upon matters not pertaining to highways such as sewers, police, fire, administration, health, and the like.

The statutory provisions are also defective in that they do not authorize a report upon the entire fiscal operations of the reporting unit. No sound reason appears for

limiting such reporting to highway affairs. This limitation was primarily a matter of accident since the Highway Department in cooperating closely with the local units, particularly the second class townships, found a need for more complete information upon local highway administration and sought to provide itself with such data by requesting such authority as the statute now provides. In fact some form of reporting is authorized wherever there is a close cooperation and association between local and state officials in the administration of a particular function or where administrative supervision over local administration is vested in some state agency. Thus the local units are compelled to report either regularly or upon stated occasions to each of the following state authorities: (1) Department of Highways (2) Department of Health (3) Department of Revenue (4) Department of Internal Affairs.

It seems clear that any system of uniform accounting, budgetary and auditing procedure requires the close cooperation, supervision, and study of some central agency. This means either that some state office should be created in which these functions could be centered or some existing agency designated for their exercise. Such uniform reporting as is here proposed would confer important and lasting advantages in many other respects, as we have seen.

Much of the value of reporting lies in the opportunity it provides for aiding officials and the public in determining the relative standing of their local units by means of accurate comparative data on such matters as functional costs, revenue collections and delinquencies, and indebtedness. The present legislative mandate does not even provide for the compilation and publication of such data as is reported. The Bureau of Statistics in the Department of Internal Affairs compiles a record of assessment and tax statistics for local governments through field men working in cooperation with county officials. The Department of Highways makes a similar compilation of such data from the reports filed in that department by the local units reporting. Each compilation duplicates the other and the two compilations arrive at different conclusions as to figures and totals. In neither case is the material, so gathered, published nor is a summary of the same required to be made public.

Finally, the present provisions fail to include any adequate enforcement of penal clauses. What if a local unit fails or refuses to report as requested? In the case of the second class townships such failure can be penalized by the withdrawing of state aid for local highway administration but this is not true in the case of the first class units where state supervision and cooperation in highway administration is practically non-existent and not desired by the local officials.

(b) The present reporting form - The form issued to the local units by the State Highway Department might be improved as a report of local fiscal operations in several respects: (1) Too much stress is placed upon highway operations and not sufficient space allotted to other functions. (2) Simplified as the form is, there are several items which are not clear to the officials who fill out such forms. To take two instances: Among the sources of receipts appears the item "fines and penalties". Does this mean tax penalties only, or both tax penalties and fines recovered for the violation of local ordinances and the like, or only fines? Each of these three interpretations was held to be the only correct one by local officials compiling such forms. Among the items of expenditure listed is one of "notes maturing". Does this mean that a note which has matured should be included here though not actually paid? Should a note negotiated and paid before the close of the fiscal year be listed? Reporting officials again held varying opinions on the matter. (3) The form, while suited to the character of the fiscal operations of some units, is not readily adaptable to the operations of the larger units. Thus it provides no functional classification for such matters as parks, playground, library, public utility enterprises such as water departments, or for tax collection or auditing. Several of these functions assume large proportions in the larger units and one or two of them are important even in many of the smaller townships. In short, the form should provide an adequate basis for the determination of functional costs. (4)Finally, the form should provide for a sufficient distinction between capital and operating outlays for functions other than highways.

(c) The Reports - The statute provides that local officials shall file such reports on or before February 1st of each year. This mandate is as generally ignored as that

requiring auditors to file a copy of the annual statement within ten days of its completion with the county clerk of the quarters session court. On July 25, 1934 fifty-five of the sixty-one townships had filed their report with the department. Of these fifty-five only thirteen had filed their reports on or before February 2nd while seventeen had filed sometime after May 1st, 1934. Generally all reports are eventually filed after the department has sent out several requests and reminders to the local officials.

The reports themselves are unreliable sources of information and, unless used in conjunction with the annual audit statement or supplemented by contact with the local accounts or officials, are almost worthless. Even where the state forms may be accurately filled in, they provide an incomplete and inadequate picture of the fiscal operations. Thus, the Braddock township report lists $8,183.40 as "other receipts" out of a total of only $20,738.97 revenues for 1933; the Harrison report lists $9,033.69 "other receipts" out of a total of $105,118.96; Tinicum lists $17,091.25 out of a total of $72,963.40. The absurdity of the situation is further shown by a comparison of these large "other receipts" totals with the amounts itemized for other purposes. Thus, the Whitehall state report for 1933 lists a total of $39,155.43 "other receipts" and $66. for revenues derived from the "rental of township property"; the Lower Merion report lists $151,799.64 "other receipts" and $690 revenues derived from rental of township property; Spring Garden lists $2,473.05 "other receipts" and $45.46 revenue derived from "interest on bank balances"; the Coal report lists $63,378.74 derived from "other receipts" and $379.15 revenues from "fines and penalties". Many other examples of a similar character may be cited.

The same difficulty occurs in regard to expenditures reported. One or two illustrations will suffice. The Mt. Lebanon report shows $18,706.69 miscellaneous administration expense, $1,470.97 miscellaneous highway expense, $4,223.74 miscellaneous police expense, and $11,031.24 "other expense" not even broadly allocated to any general function making a total of $33,961.67 miscellaneous expenditures out of a total of $363,988.95. Lower Merion lists the following "miscellaneous" sums, $25,342.43, $9,747.05, $21,578.56, $34,948.37, for administration, highways, sewers, and police respectively. To these sums must be included a third, non-allocated "other expenditures" amounting to $31,854.92 making in all a total "miscellaneous" expenditure of $123,471.33 out of a total of $767,961.35. It might be said as some officials maintained that the state report is so unsuited to the present accounting system of the local units and to the reporting of the large fiscal operations of the large units that the fault is due to the state form alone.

In completing the preliminary work of the present Survey, these state reports were studied, duplicated and partially compiled and analzed before officials in the local units were interviewed. This was done with the hope of obtaining a fairly accurate knowledge of the area before approaching a local official for further information. It is significant that these officers without exception, could no longer interpret the state reports which they had compiled but a month or two previous to the interview. When inconsistencies were pointed out to them between the data presented in the state report and the data set forth in their accounts or in the annual audit statement, they invariably stated, with some show of feeling, that the state report form did not conform to their accounting system and that such great difficulties were occasioned in transferring the data from the local accounts to the state form that the latter report was subject to considerable error.

This situation contrasts strongly with that in the second-class townships. The latter are almost exclusively rural and the primary governmental service is that of highway administration. Under the Parkinson act and other legislation the state highway department is interested in obtaining accurate and detailed data as to the highway operations of these units. Consequently it has taken steps to secure more complete and accurate data from them. Among the other means used was that of preparing a budget ordinance, account book, a warrant book, a payroll sheet, and a state report in each of which expenditures and receipts are identically itemized and allocated. This in effect provides a uniform accounting and reporting system for the second class townships. It is a simple operation for the township secretary to transfer figures from warrants to the account book or from the payroll sheet to the account book and then from the account book to the state report. No addition, subtraction, or multiplication is necessary. Conse-

quently, the data on file in the state highway department are accurate and provide an excellent picture of the fiscal operations of the reporting units.

This uniform accounting and reporting for second class townships was obtained without any legislative compulsion. The state highway department drew up forms for budgeting, accounting, and reporting in such a manner as to constitute a uniform system. It printed such forms and distributes them free of charge to the township officials. By this means and by close contact with these local officials the department has succeeded in getting the great majority of the second class townships to adopt this uniform system. Many of the units adopting the system have carried it one step further by using the state report form as their annual audit form thereby completing the uniformity of the system to cover the four fundamentals of budgetary, accounting, reporting, and auditing procedure. Why is there such a great contrast in procedure and results in regard to the two classes of townships? The answer is clear. In the one case the reporting unit is rural in character and its primary governmental service is that of highway construction and maintenance in which the state highway department is primarily interested in several ways. On the other hand the first class townships are primarily urban in character providing many important governmental services in addition to that of highway administration and in which the highway department has little, if any, interest. In the one instance an interested state agency has taken the initative and succeeded in producing most commendable results. In the other instance there has been no state agency sufficiently interested or authorized to take the initiative.

What, then, should be done to obtain these same results in the case of the first class units? Legislation should be enacted, providing some state agency with the definite responsibility of instituting, maintaining, and supervising a system of uniform budgetary, accounting, auditing, and reporting forms and procedure. Cannot these ends be obtained without legislation and by an indirect process as in the case of second class township? The answer is likewise clear and definite. The governmental services of these units are so varied that no one state agency has, at present, such a broad interest in their local administration as to institute such procedures and forms. Can the first class townships be expected to provide such a system for themselves on their own initiative? In the first place these units are scattered over the state and primarily interested only in their own local problems. In the second place the institution of such a system is not an overnight task. The diversity existing among these units, the breadth of the governmental services that they perform, and the lack of any informational or experimental data make it absolutely essential that some central agency undertake the task. The problem is one of magnitude, requiring competent personnel, adequate resources, sufficient authority, and application to the task over a continuing period of time. Only a state agency can meet these requisites.

CONCLUSIONS

1. FINDING - The present accounting systems are neither uniform nor adequate. They fail to show functional costs, they make only a haphazard distinction between fixed and other charges, and they frequently give no totals or balances other than the annual ones.
   RECOMMENDATION - That, in view of the chaotic state of present accounting practices, a uniform accounting procedure and standard ledger forms be adopted for the first class townships.

2. FINDING - Lack of training and the part-time character of the local accounting personnel largely explain the present bookkeeping methods. The officials themselves are generally capable, needing only some form of outside initiative and aid in the perfecting of accounting practices.
   RECOMMENDATION - That the institution and administrative supervision of a uniform accounting system be vested in a state agency, alternatively designated.
   RECOMMENDATION - That the primary consideration, in the institution of standard accounting forms and methods be that of the utmost simplicity compatible with their essential purpose.
   RECOMMENDATION - That the state authority be instructed to publish and distribute among the local accounting personnel, handbooks describing methods to be followed, types of balances to be kept and the like.

RECOMMENDATION - That the state agency similarly furnish such standard forms, ledgers, and books, as may be required for the operation of the uniform system either free of charge or at cost.
RECOMMENDATION - That an adequate enforcement and penalty clause be attached to such unform accounting act.

3. FINDING - There is no adequate system of reporting local fiscal operations. This is due to the lack of sufficient statutory provision for such reporting, to the defective character of the present state highway department forms, and to the lack of coordination between the accounting and the reporting systems.
RECOMMENDATION - That the state agency authorized to institute uniform accounting, budgeting, and auditing procedures and forms be similarly authorized to institute uniform reporting forms.
RECOMMENDATION - That the standard reporting forms adopted be closely correlated with the standard budgeting, accounting, and auditing forms.
RECOMMENDATION - That in view of the need for more information on such matters as comparative functional costs, indebtedness, revenues, and other local fiscal operations, the data obtained through the institution of a uniform reporting system be published by the state authority in such manner as to permit of the comparison of the fiscal operations of the local reporting units.

4. FINDING - The local reporting officials have shown a general disregard for the statutory provision requesting them to file their annual reports, upon such forms as the highway department designates, by February 1st. The reports that are filed are generally incomplete, unreliable and often late.
RECOMMENDATION - That adequate penalty provisions be provided by law and that the enforcement of the same be placed within the powers of the above recommended state authority.

CHAPTER V

BUDGETARY PROCEDURE

The problem of budgeting is one of seeking an acceptable adjustment between available revenue, anticipated expenditures, and the satisfaction of the political needs of a particular community. Estimates of revenue and expenditures can be obtained only after the compilation of a large amount of factual data. Even then accurate estimates are not easily made and are necessarily subject to change as unforeseen contingencies arise. No one governmental official or group of officials should be responsible for both the preparation of the factual data and for the determination of fiscal policy. Many defects in the budgeting process have their foundation in this procedural basis. Questions to be treated in this chapter include the following: What are the elements of an adequate budgetary system? To what extent are such elements observed in the existing budgetary practices of the first-class townships? How may existing defects be remedied?

Elements of an Adequate Budget System - A budget must include estimates of all expenditures and of all revenues. Such estimates must be based upon data drawn from past experiences and upon prospective future conditions within the budget period. It is essential that these estimates and data be in sufficient detail to provide a financial plan for the fiscal year in which the budget is to operate. The process should include the following steps:

(1) Collection and preparation of estimates for all expenditures and revenues.
(2) Comparison of: (a) appropriations and expenditures of prior years for each governmental function, viz., highways, health, police, etc; (b) tax collections and tax delinquency or estimated receipts and actual receipts for each category of income, viz., taxes, licenses, special assessments, etc.
(3) Revision of estimated receipts and expenditures upon the basis of the above comparisons.
(4) Assembling of the budget document including the appropriation and tax levying ordinances.
(5) Holding a public hearing which tax payers may attend to express their views upon the budget.
(6) Formal adoption of the budget.
(7) Control of the transactions authorized by the budget.
(8) Checking actual operations - periodic statements to commissioners of actual expenditures and revenues compared with estimated expenditures and revenues.

(1) Collection and preparation of estimates - Who shall collect and prepare such estimates? The First Class Township Code and relevant statutes are silent. Section 1701 of the Code provides, "The board of township commissioners of townships shall each year, within sixty days after the first Monday of January, estimate the several amounts of money which will be required for the several specific purposes of township government and expenses during the current fiscal year, and by ordinance appropriate, out of the revenues available for the year, the specific sums required. The tax levied by the township authorities shall be fixed at such figure, within the limit fixed by law, as, with all other sources of revenue, will meet and cover said appropriations."

This provision makes no mention of the collection and preparation of revenue and expenditure estimates. It goes no further than to compel the commissioners to make an estimate, which estimate is, in practice, a mere guess unsupported by any factual material. The statute makes no distinction between budget preparation and budget enactment; between the assembling of the budget data and the determination of fiscal policy. The former function is an administrative matter to be performed by a qualified administrative official such as the township secretary; the latter is a policy-determining function of the board of commissioners. The commissioners have neither the time nor the requisite information for assembling the budget document and the task lies outside their proper functions.

The legislature should (a) distinguish between budget preparation and budget enactment, and (b) vest responsibility for budget preparation in the township secretary,

together with adequate powers to obtain the information needed for its preparation.

No distinction between budget preparation and budgetary policy has been established in actual practice. Nor is there any one form of procedure; in the absence of any statutory provision each township has evolved its own methods. These may be grouped as follows: (a) Preparation and enactment of the budget by the board of commissioners; (b) preparation by the secretary and enactment by the commissioners; (c) preparation by the finance committee and enactment by the commissioners; and (d) preparation by the solicitor, a commissioner, the ordinance committee or an unofficial person or body such as a taxpayers association or civic committee.

(a) Preparation and enactment of budget by the commissioners. - This is the prevailing practice. Examples are seen in West Norriton, Braddock, Penn, Leet, Annville, West Lebanon, Whitehall, Newport, and Hanover. The commissioners have an informal meeting, at which there is a general discussion in regard to the tax rate to be levied for the coming fiscal year and the amount of money to be appropriated for the various township functions. There is no prepared budgetary document available to aid in reaching conclusions. There are no prepared comparisons of prior years' tax collections, tax delinquencies, revenue collections from sources other than taxation, etc. Reliance is placed upon three general sources of information: (1) The budget ordinance of the prior year. The discussion centers upon the question whether or not the amounts appropriated for the prior year are to be increased, decreased, or retained.

A superficial survey of the budget ordinances of successive years will reveal the strong tendency of the commissioners merely to reenact or readjust, with slight variations, the sums appropriated in prior years. In 1933 the Swatara commissioners appropriated $5,800 for highways exclusive of bridges, culverts, and cross drains and of this sum only $3,400.37 was actually expended. Despite the fact that there was a difference of $2,399.63 between the estimated expenditure and the actual outlay, the commissioners appropriated the same amount in the budget ordinance of 1934. This is but one of many examples; it is illustrative of a general tendency.

(2) The second source of information is the township secretary. He is present at all meetings of the commissioners and knows more about the township affairs, fiscally, and otherwise, than any other township official. In a few cases the secretary prepares a brief statement for this informal budgetary meeting such as the statement of last year's appropriations, actual expenditures, and amount of difference between the two for each function. This is done in Baldwin, Elizabeth, South Fayette, and Harrison. He also acts as a general source of information on the results of the past year's operations. Many of these secretaries indicated a desire to enter more fully into the process of budget making but were held back because they considered they had no right to participate beyond the direct requests of the commissioners.

Most of these capable men would be able to contribute a great deal toward the establishment of an adequate budgetary system if a statutory provision invested them with the requisite authority. Such a provision, combined with the educational guidance and advice of some central state agency supplying handbooks and field supervisors, would remove one of the chief obstacles to an adequate budgetary procedure.

(3) Finally, many commissioners rely heavily upon the amounts actually expended for each item in the prior year. If such outlay has varied greatly from the appropriation the board will fix a sum slightly in advance of the actual expenditure. Where the variance is small the board will merely reenact the prior appropriation.

The procedure outlined is clearly not one of budget making. It is merely an effort to enact an appropriation ordinance upon the basis of meagre data. In some cases the reliance is placed upon prior year appropriation figures, in others upon prior years' outlay for general functions, and in a few upon a haphazard combination of both prior year appropriations and actual expenditures. In short, the commissioners determine budgetary policy without any budget preparation. The same procedure exists as to revenue estimates where heavy reliance is placed upon the prior year's tax rate and the total expenditures.

(b) - Preparation of budget by secretary. - The most adequate budget procedure is found, without exception, in those units where responsibility is placed upon this official for the preparation of a budget document. Examples are lower Merion, Haverford, Mt. Lebanon, Upper Darby and Shaler. In all such cases a typewritten statement is prepared giving detailed estimates of income and expenditure upon the basis of comparisons of estimated and actual receipts and outlay of several preceding years. Allowance is made, upon a scientific basis, for tax delinquency, collection of past due taxes, abatements and the like. When the board meets, the prepared document is before it, and it can proceed to the determination of fiscal policy upon the basis of reasonably comprehensive data. There is no occasion for needless haranguing over facts nor is time consumed in a last minute effort to obtain them.

(c) Preparation of the budget by the Finance Committee. - Where the finance committee is a committee of the whole, the budget procedure rests with the board of commissioners. Examples are seen in Baldwin (a committee of the whole), Nether Providence, Tinicum, and Neville. The budget document is nothing more than the proposed appropriation ordinance. In a few cases the secretary prepares the document and the finance committee then irons out the major difficulties and makes a preliminary revision after which the revised fiscal statement is placed before the commissioners for formal action. Where this committee makes a preliminary report, which is considered budget preparation, it merely reports the amounts which it thinks should be appropriated to the specific township functions together with a proposed tax rate. In no case does it prepare a document estimating detailed receipts and expenditures upon the basis of the factual experience of prior years. Since this committee, though not always a committee of the whole, is composed of the more influential members of the board, its recommendations are largely conclusive.

(d) Preparation by Other Groups. - The budget ordinance is in some places prepared by the ordinance committee, in others by the township solicitor, in still others by a taxpayers' association. The latter is allowed to do the work because of its control of expert services.

(2) Revenue Estimates - What is the objective of the estimate? This may be briefly stated - to permit the township to operate within the limits of its annual income, prepare for unforeseen contingencies, plan its capital outlays and its indebtedness. The estimate should provide an approximately accurate knowledge of the amount of moneys to be received by the governmental unit in the coming fiscal year. Consequently such an estimate must include all possible sources of income, and allow for such matters as abatements, delinquencies, and collections on prior years' duplicates.

To what extent do present practices in revenue estimation meet these elementary requisites? The general practice is for the commissioners to set a tax rate which when multiplied by the estimated assessed valuation will equal the amount of estimated expenditures. The resultant sum is accepted as the total revenue available for the coming fiscal year. To take an actual example - Penn township in 1933 with an assessed valuation of $13,408,880 at 7 mills tax rate has a tax duplicate of $93,862,16. This latter sum was accepted as the estimate of total revenues available for the year and in accordance therewith an appropriation of $91,627 was made. The commissioners gave no consideration to such matters as abatements, delinquencies, collections from prior years' duplicates, and the like. A brief investigation would have shown the officials that the amount of tax delinquency had been rapidly increasing (in excess of 20% for 1930, of 23% for 1931, and of 34% for 1932) and that a similar trend existed in the amounts by which current delinquency exceeded collections of taxes from prior years (current delinquency exceed collections from previous years taxes by $6,767 in 1930, by $11,701 in 1931, and by $21,441 in 1932). Investigation would also have revealed that approximately five or six thousand dollars could be anticipated from sources other than taxation.

Applying a simple procedure, the commissioners could have made allowance for a delinquency of thirty-five per cent or more on the current duplicate or approximately thirty-three thousand dollars. On the basis of past experience the commissioners would then anticipate that approximately thirteen thousand dollars (40% of the estimated current delinquency) would be offset by collections on taxes of previous years and by

five thousand dollars from revenue sources other than taxation. This would have provided a roughly accurate estimate of $78,000 as the total amount of revenues anticipated as available for the year 1933. Instead of then appropriating a total of $91,627, the commissioners should have revised their expenditure estimates to conform to anticipated revenues. The result of failing to base their revenue estimates upon some such procedure as outlined above is amply demonstrated in Table I which shows that their total expenditures exceeded total receipts.

A comparison of total appropriations with the total amount of outstanding taxes (current duplicate included) at the beginning of the fiscal year will show immediately whether or not the commissioners have arrived at their revenue estimate by a procedure of making allowances for delinquencies and the like. Where these two sums are nearly equal, there has been obviously no attempt to make an accurate estimate. Spring Garden township affords a typical illustration. The total amount of outstanding taxes at the beginning of the fiscal year 1933 was approximately $48,000 while the amount appropriated for the year was $44,675. The commissioners, thus, made allowance for less than four thousand dollars of tax delinquency despite the fact that in the prior year nearly twelve percent of the current duplicate had remained unpaid. The 1934 revenue estimate is even more defective. The total appropriation was $44,500 although the total of the tax duplicates was only $43,541.33 or $958.67 less than the total amount appropriated. A brief investigation reveals the following pertinent facts: Three thousand dollars represents a generous estimate of revenues derivable from sources other than taxation ($2,588.11 in 1933). The percentage of tax delinquency had been steadily increasing and amounted to over sixteen percent in 1933. The collections on taxes of previous years had been steadily decreasing and amounted to less than thirty-four percent of the current delinquency in 1933. Ignoring such matters as allowances for abatements and exonerations, the consideration of these facts reveal that $40,000 would have been a generous estimate of total revenues to be anticipated or $4,500 less than actual appropriations for the year. This township provides a typical illustration of the failure to base revenue estimates upon any adequate procedure of investigation and adjustment. The following table provides additional examples.

Township	1933 Appropriation	1933 Duplicate	1933 Collection	Total Tax Duplicate	Total Tax Collection
Annville.....	14,821	12,986	11,228	14,888	11,841
West Lebanon.	7,200	5,571	3,704	9,475	5,736
		4,359	2,886	7,838	3,758
Nether Provid.	24,820	24,909	19,375	31,428	19,692
Penn	91,627	93,957	55,683	185,825	65,494
Jefferson	21,000	13,220	7,884	23,771	11,793
Braddock.....	20,900	9,793	4,420	17,061	6,515
Elizabeth.....	23,000	20,846	14,049	35,770	15,905
Harrison	40,850	45,023	31,460	63,628	39,074
Leet	9,161	7,247	4,713	9,219	6,325

It will be noted that the above data present a comparison between current and total duplicates outstanding at the beginning of the year and total appropriations. This latter sum is used as a contrast to the amount of taxes outstanding because total appropriations represent the only tangible evidence of the amount of revenue estimated by the commissioners in the absence of any budget document other than the appropriation ordinance. When local officials are queried as to whether or not allowances are made for such matters as tax delinquency, abatement, exoneration, penalty, and the like they invariably reply in the affirmative. Hence it is necessary to check such statements against the facts. Since it is to be assumed that officials will confine their appropriations within the sums which they consider will be available as revenue, it is safe to take the appropriation figure as indicative of their revenue estimate. A comparison, then, of appropriations and of outstanding taxes will indicate the extent to which such matters as delinquencies and the like have entered into the revenue estimate. Where the appropriation equals or exceeds the amount of outstanding taxes, it is obvious that no allowances have been made. Where it falls below the latter figure, the procedure outlined in the illustrations of revenue estimation in Penn and Spring Garden townships must be applied to discover if sufficient allowance for these factors has been made.

Proceeding upon this basis, the data reveal that six of the townships listed appropriated more than the full duplicate for the current year while the remainder appropriated practically the full amount of the duplicate. This alone shows the failure to arrive at a revenue estimate by a process of adjusting delinquency, exonerations, collections on previous years taxes and the like. If additional evidence is needed it is supplied by the fact that seven of the nine townships were compelled to resort to temporary loans during the year while Braddock received revenue from the sale of bonds. In one township Leet, a temporary loan of $1,100 was still outstanding at the end of the year as we have seen and the bills payable amounted to over two thousand dollars.

These illustrations clearly show that there is no systematic effort at revenue estimation. The commissioners begin the budget process by observing the previous years expenditures for each function. If the appropriation of the prior year exceeds the actual expenditure, the tendency is to reenact the same appropriation. Where the reverse occurs the tendency is to raise the appropriation slightly above the prior year's expenditure. Spring Garden township will serve as an illustration of this process. The 1933 budget appropriated $2,000 for miscellaneous expenditures. Actual requirements were $517.31 and the 1934 budget appropriated $1,700 for this purpose. The 1933 budget appropriated $2,500 to the contingent fund. Actual requirements were $1,232.83 and the 1934 budget set aside $2,000 for this purpose. Other examples could be readily provided. The commissioners, then, having reached an appropriation figure "safely" in excess of actual requirements, center their attention upon revenues. This process naturally requires that revenue estimates be subordinated or adjusted to proposed appropriations. The tendency to over-appropriate forces the local officials into a position where little, if any, allowance can be made for such matters as delinquency since to do so would result in the anomaly of having appropriations exceed the revenue estimate - a situation prohibited by the code.

The fruits of this form of revenue estimation are shown in one of three ways; by the necessity for temporary loans; by the retirement of unfunded debt through the issuance of bonds; or by either holding expenditures far below the appropriations or by piling up excessive amounts of unpaid bills. Each of these methods is quite common although the number of units that definitely attempt to hold their expenditures below appropriations is small. Only a small number of townships, unfortunately, attempt to draw up some document upon which an approximately accurate estimate of revenues may be based.

(3) Expenditure Estimation: Expenditures should be determined upon the basis of: (a) The revenues estimated as available during the coming year. (b) Necessary outlays for fixed charges. (c) Necessary outlays for functional requirements. And (d) Expenditures for contingent requirements. The objective is the same as in the case of revenue estimation - to permit the township government to operate within its current income.

To what extent do present practices fulfill these requirements? No attempt is made to distinguish between fixed and flexible charges, except in the case of debt service, or to itemize actual needs. The commissioners base their estimate upon three things: (a) Prior year expenditures. (b) Prior year appropriations. And (c) their own untabulated knowledge. In most instances the commissioners set appropriations sufficiently in advance of prior year expenditures to assure themselves that these will not be exceeded. Obviously this is not budget making in the proper sense of the word.

In many cases the commissioners make no adjustments in expenditure estimates, even though they have sufficient facts indicating the necessity for such adjustment. For example, in 1933 and 1934 the commissioners of Whitehall township estimated expenses for engineering services at $1,000, in spite of the fact that in the three previous years the expense for such service amounted to twice as much. A similar situation existed in the estimate for auditing services. Braddock township is a typical example of many other units:

TABLE I

COMPARISON OF APPROPRIATIONS, RECEIPTS AND EXPENDITURES

Township	1933 Appropr.	Total Rev. Receipts 1933	Total Receipts 1933	Excess 1933 Approp. over Rev. Receipts
Upper Darby	$763,975	$680,743	$1,187,480	$ 83,232
Lower Merion	810,459	871,363	992,439	-60,904
Coal	175,500	163,912	213,092	11,588
Abington	320,350	281,280	383,474	39,070
Hanover	274,647	231,762	232,584	42,885
Cheltenham	356,750	428,213	479,284	-71,463
Mt. Lebanon	291,415	226,195	227,678	66,220
Stowe	197,960	115,485	125,771	82,475
Penn	91,627	79,968	86,342	11,659
Harrison	40,850	70,614	89,814	-29,764
Newport	175,990	167,890	167,890	8,100
Whitehall	118,930	66,331	124,771	52,599
Shaler	90,197	129,094	144,535	-38,897
South Fayette	15,600	14,098	14,567	1,502
Mifflin	-------	33,816	33,862	------
Elizabeth	23,000	16,681	18,691	6,319
Baldwin	79,073	45,681	50,691	33,392
Swatara	9,075	12,836	13,336	-3,761
Scott	45,000	41,123	43,307	3,877
N. Versailles	-------	21,519	21,679	------
Springfield (Montg. Co.)	80,763	70,503	157,880	10,260
Spring Garden	44,675	39,569	47,319	5,106
Springfield (Del. Co.)	61,942	73,617	79,311	-11,675
Plymouth	22,676	18,799	33,105	3,877
Jefferson	21,000	12,923	12,923	8,077
East Deer	27,790	62,429	64,656	-34,639
Tinicum	35,470	53,997	69,165	-18,527
Lower Chichester	--------	22,792	22,792	-----
Lawrence Park	53,000	35,893	35,911	17,107
Reserve	15,315	18,231	20,241	- 2,916
Annville	14,821	13,802	14,714	1,019
Nether Providence	24,820	23,245	25,360	1,575
Darby	15,335	10,057	22,953	5,278
West Norriton	-------	20,652	20,888	------
Rochester	13,850	8,908	10,908	4,942
Braddock	20,900	8,194	20,123	12,706
Neville	-------	62,007	62,033	------
Leet	9,161	5,173	8,526	3,988
Crescent	-------	5,700	5,700	------
West Lebanon	7,200	6,874	7,874	326

TABLE I

COMPARISON OF APPROPRIATIONS, RECEIPTS AND EXPENDITURES

Total Gov't'l Exp. 1933	Total Expendi-tures 1933	1934 Appropr.	Excess 1934 Approp. over 1933 Exp.	Excess '33 Exp. over '33 Appropr.	Percent over and under '33 Approp.
$616,126	$1,210,195	$788,650	$-421,545	$446,220	36.9
656,185	876,570	986,556	19,986	66,111	7.5
115,138	190,801	165,536	- 25,265	15,301	8.0
276,745	432,196	482,000	49,804	111,846	25.9
132,675	229,718	385,593	155,875	- 44,929	-19.6
314,334	513,833	349,200	-164,633	157,083	30.6
238,819	317,102	302,800	- 14,302	25,687	8.1
87,078	95,784	275,764	179,980	-102,176	106.7
79,172	108,328	91,026	- 17,302	16,701	15.4
65,228	91,089	-------	-------	50,239	55.2
91,410	168,632	171,374	2,742	- 7,358	4.4
73,550	125,837	134,281	8,444	6,907	5.5
75,721	161,586	90,054	- 71,532	71,389	44.2
13,324	13,324	14,800	1,476	- 2,276	17.1
32,172	32,358	61,721	29,363	-------	-----
15,275	17,245	20,475	3,230	- 5,755	33.4
26,043	59,083	54,632	- 4,451	- 19,990	33.8
12,070	12,570	10,105	- 2,465	3,495	27.8
30,942	42,632	50,330	7,698	- 2,368	5.6
19,079	27,279	32,734	5,455	-------	-----
50,632	141,269	88,836	- 52,433	60,506	35.8
37,414	40,414	44,500	4,086	- 4,261	10.5
55,975	78,646	44,950	- 33,696	16,704	21.2
14,344	22,591	35,878	12,287	- 85	0.4
11,287	11,296	20,000	8,704	- 9,704	85.9
41,093	47,532	28,400	19,132	19,742	41.5
30,657	62,947	42,750	- 20,197	27,477	43.7
14,650	14,670	19,669	4,999	-------	----
25,212	36,992	49,000	12,008	- 16,008	43.3
18,844	21,555	14,765	- 6,790	6,240	28.9
12,225	14,796	13,399	- 1,397	- 25	0.2
17,911	21,256	-------	-------	- 3,564	16.8
6,054	16,579	13,480	- 3,099	1,244	7.5
16,069	19,508	22,003	2,495	-------	----
6,762	11,446	-------	-------	- 2,404	21.0
7,378	17,778	15,650	- 2,128	- 3,122	17.6
52,911	57,666	55,498	- 2,168	-------	-----
6,447	8,668	9,971	1,303	- 493	5.7
5,806	5,806	9,463	3,657	-------	-----
5,793	6,793	6,850	57	- 407	6.0

Appropriation 1933		Expenditure 1933	Appropriation 1934
Administration	- $2,500	$2,227.58	$2,500
Roads & Highway	- 3,000	834.84	3,000
Health	- 500	204.98	400
Fire & Water	3,000	98.61	2,500
Lock-up	- 400	1,429.82	250
Light	- 2,500	1,650.00	2,000
Debt service	- 9,000	11,331.95	5,000
Totals	$20,900	$17,777.78	$15,650

It is apparent from this table that the 1934 estimates were based on the 1933 appropriations with practically no consideration for actual expenditures of the year 1933. This type of so-called budgeting is accompanied by the following significant facts in the above township: (1) No amending or transferring ordinances are enacted in regard to budgeting. (2) No budget or any other statement is presented to the commissioners at the budget meetings. (3) The budget ordinance was not printed prior to 1934. (4) Over fifty percent of the receipts for 1933 were in the form of bond sales. (5) The proceeds from the bond issue of 1933 were devoted to the payment of temporary loans accumulated over a period of years and negotiated to meet operating costs. (6) A delinquency of over fifty percent upon the 1933 duplicate.

Jefferson township expended $16,161.98 in 1932, - appropriated a total of $21,000 for 1933. Expenditures for 1933 totalled $11,295.07 and $20,000 was appropriated for 1934. There were no unforeseen contingencies which prevented greater expenditures nor did any contingencies fail to materialize. The commissioners merely appropriated a sum that approximated the current and past duplicates.

Table I provides some indication of the nature of budgeting practices in these townships. The first column shows the appropriation at the beginning of the year. As such it represents the adjustment of needs to estimated revenues. The second column includes only revenue receipts such as taxes, special assessments, licenses, interest etc. The total receipts in the third column include "non-revenue" income derived from such sources as temporary loans, bond sales, refunds, sale of materials, and the like, as well as revenue receipts. Governmental expenditures include only functional costs while total expenditures include sums expended for debt service, permanent improvements, and other non-functional expenditures.

Over-appropriation: (a) - In relation to receipts. Twenty-five of the forty townships are shown to have appropriated amounts in excess of revenue receipts, and fifteen (Hanover, Mt. Lebanon, Stowe, Penn, Newport, South Fayette, Elizabeth, Baldwin, Scott, Jefferson, Lawrence Park, Annville, Rochester, Braddock and Leet) amounts that exceeded the total of all receipts. Appropriation in excess of revenues may not in itself indicate poor budgeting since bond sales etc., may have been anticipated. However, Table I in the chapter on Functional Costs shows that only four (Upper Darby, Springfield (Mtg.), Whitehall and Braddock) of these townships floated bonds in 1933 and only three received gifts or grants in excess of $1,000. On the other hand sixteen negotiated temporary loans. A definite correlation exists between the tendency to over-appropriate and the negotiation of temporary loans as shown by the fact that of the thirty-one townships which negotiated temporary loans in 1933 (Table on Receipts, Chap. XXII) over fifty percent appropriated more than revenue receipts justified. Furthermore the tendency to over-appropriate is also accompanied by either a decrease in assets, an increase in liabilities, or both. (Table IV, Chap. XXIII.)

(b) - In relation to expenditures. Seventeen of the twenty-five townships which appropriated in excess of revenue receipts also appropriated in excess of total expenditures. Of these only six* could be considered as having come within a reasonable

* This may be seen by referring to the last column which indicates the approximate accuracy of the budget estimates.
The six townships are: Newport (4.4%), Scott (5.6%), Leet (5.7%), Plymouth (.4%), Annville (.2%), and West Lebanon (6.0%).

degree of accuracy in estimating such appropriations. However, this does not mean that the budgeting authorities made a proper adjustment between appropriations and expenditures. The adjustment was brought about in Leet by temporary loans which were not paid, indicating that the appropriations exceeded the revenues available. The adjustment in Newport and Scott was effected by large amounts of bills payable, also indicating an excessive appropriation. It is significant that of these seventeen townships, thirteen appropriated in excess of both revenue and total receipts.

Summarizing the tendency to over-appropriate it may be noted that: (a) Twenty five of the forty townships appropriated in excess of revenue receipts. (b) Fifteen appropriated in excess of total receipts. (c) Seventeen appropriated in excess of total expenditures. (d) Fourteen appropriated amounts which exceeded total receipts and total expenditures. (e) A close correlation between appropriations and expenditures was found to exist in only six townships. But this was not the result of good budgeting in most cases since the amounts appropriated and expended exceeded total receipts in five of these townships thereby necessitating a decrease in cash balances, an increase in liabilities, or both. The strong tendency toward excessive appropriation is accompanied by: (a) The necessity of borrowing. (b) The failure to meet short term notes out of revenues. (c) A decrease in cash balances. (d) An increase in liabilities in the form of bills payable.

Under-appropriation. Twenty three of the forty townships show a distinct tendency to under-appropriate. All but four appropriated more than their governmental expenditures but less than their total expenditures. However only four, namely Coal, Mt. Lebanon, Whitehall and Darby can be considered as having established a reasonable balance between appropriations and expenditures. In the latter two this was only achieved by temporary loans which remained unpaid at the close of the year. Coal township succeeded only by means of the accumulation of a large item of bills payable, while in Mt. Lebanon a heavy decrease in cash balance and a large accumulation of bills payable took place. The tendency to under-appropriate is caused primarily by the practice of using the prior year appropriation as a basis. The appropriations for 1933 and 1934 vary only slightly in East Deer, Swatara, Shaler, Reserve, and Tinicum. It is significant that most of these townships repaid all temporary loans negotiated and that four of them paid off more than they borrowed.

Adjustment to available data. Generally little or no adjustment is made between the prior year expenditures and the appropriations for the coming year. Those townships which tend to over-appropriate such as Penn, Stowe, Elizabeth, Spring Garden, Jefferson, Lawrence Park and Leet continue to over-appropriate in 1934 in face of the lower expenditures in 1933. Those which show the opposite tendency such as Upper Darby, Cheltenham, Swatara, East Deer and Reserve continue to make lower appropriations even though in 1933 the expenditures had greatly exceeded appropriations.

A few illustrations will indicate the failure to make adjustments. The Stowe township commissioners appropriated $102,176 in excess of actual requirements in 1933. The 1934 appropriation was seventy-seven thousand dollars more than that of 1933! The 1933 appropriation in Jefferson township exceeded expenditures by $9,704. The 1934 figure is then decreased by one thousand dollars and placed at twenty thousand dollars although the total receipts for 1933 were only $12,923! Leet offers another example. It appropriated $9,161 for the year 1933, which sum exceeded the current and total receipts of the township. Despite the fact that the revenue receipts for 1933 were only $5,173, that the year had closed with bills payable totalling $2,332, and that $1,100 were still outstanding on a temporary loan negotiated in that year - with all these considerations before them, the Leet commissioners increased the 1934 appropriation to $9,971!

A comparison of the 1934 appropriations with the revenue receipts, total receipts, and total expenditures for the year 1933 will further show the tendency toward over-appropriation and the failure to base the appropriation upon that of the previous year. Of the forty townships, seventeen appropriated in excess of total receipts and total expenditures of the year 1933! There can be no justification for such procedure. This was done in the face of high delinquency in tax collection, an unfavorable situation in outstanding loans and bills payable, and the depletion of cash balances. Three

units, Baldwin, Mt. Lebanon and Penn, appropriated in excess of total receipts for 1933, though not in excess of total 1933 expenditures. The significance of this is that the excess of expenditures over receipts in 1933 had led to severe decreases in the cash balances, and in two units such decreases had been accompanied by the cumulation of a large item of bills payable. Yet in the face of these facts, the commissioners appropriated an amount in excess of total receipts for 1933. While in Baldwin there was a substantial decrease in the 1934 appropriation, yet an amount in excess of the prior year's receipts during a period of large tax delinquency seems unjustifiable.

Finally, seven townships appropriated sums in excess of their 1933 revenue receipts. This policy may not be bad where the township is free of encumbrances (Lower Merion for example), and where the percentage of tax delinquency may be expected to remain stationary. However, this is not true of all these units. Thus Darby ended the year with outstanding temporary loans amounting to approximately $7,000. In spite of this and with revenue receipts totalling only $10,000 the commissioners appropriated over $13,000 for 1934.

Summary. A careful scrutiny of the comparisons afforded by this table indicates that there is very little of what might be termed adequate budgeting among these townships. While it is true that the strained financial conditions of the period, and the growing urban character of many of these units make it difficult to establish and maintain a sound budget, yet the failure of the commissioners to take into account the fiscal data of prior years, when making their budgets, indicates the absence of any effort on their part to establish sound budgeting practices.

(4) The Budget Ordinance: The code provides that the commissioners shall estimate the revenues for the coming year and by ordinance appropriate such revenues to the specific requirements of the township government within sixty days after the first Monday in January. Section 1501 requires that such appropriation ordinances be published "in one newspaper of general circulation in the township" and that the "ordinance shall not become effective until ten days after the publication aforesaid." In addition, sections 1702 and 1703 stipulate that such appropriations are not to be exceeded and "no work shall be hired to be done, no materials purchased, no contracts made and no orders issued for the payment of any moneys" which would cause such appropriations to be exceeded. Where this provision is violated or where "contracts, hirings, or purchasing made, or orders or warrants issued, (are) not provided for by an appropriation by the township commissioners as is required by law" such contracts, hirings, purchases made, etc., are invalid unless the commissioners are ordered to make payment therefor by either the court of quarter sessions or common pleas.

The budget ordinance constitutes the sole budget document in most of the townships. In many, the statutory requirements of enactment within the stipulated sixty day period and of publication are ignored. The following units, among others, failed to enact their 1934 budget ordinances within the sixty day period: Baldwin, Braddock, Scott, Lower Chichester, West Lebanon, Radnor, Crescent, North Versailles, and Neville. The following townships among others, do not usually publish their budget ordinances: Springdale, South Versailles, Braddock, South Fayette, and West Pottsgrove.

The code makes no specific provision for a budget hearing. In the case of Hiscox v. Township of Hanover et al. (Luzerne County, In Equity No. 5, July term, 1934) the court held that sections 1701 and 1502, "predicate the powers of the commissioners to levy a tax, within the limit fixed by law, upon the prior enactment of an ordinance appropriating the specific sums required out of the revenues available and the enactment of this ordinance became a condition precedent to the levy" and it was further stated that "through the medium of publication the taxpayers may know of proposed appropriations and may have opportunity to appeal to the court for redress against such appropriations as are unlawful or actuated by motives other than the public welfare."

According to the opinion of the court the budget ordinance must be enacted and published at least ten days prior to the tax levying ordinance. This opinion is based upon section 1502 requiring that all ordinances must be published and that they do not become effective until ten days after such publication, and upon the interpretation of section 1701 in such manner as to provide a period of time for the local taxpayers to

express themselves upon such budget ordinance. The interpretation of the court has the effect of providing a partial substitute for a budget hearing.

Many of the townships are further violating the code in enacting and publishing their budget and tax-levying ordinances simultaneously. The following townships, among others, published the 1933 ordinances simultaneously: Spring Garden, Penn, Leet, Whitehall, Hanover, Upper Darby, East Deer, Ross, Springfield (Del. County), and Ridley. The following townships, among others, did likewise in 1934: Coal, Penn, West Lebanon, Annville, Leet, Whitehall, Newport, Hanover, Upper Darby, Elizabeth, East Deer, Crescent, Mifflin, Neville, North Versailles, Ross, Darby, Springfield (Del. County), Lawrence Park, Plains, and Ridley.

There can be little opportunity for the participation of the local taxpaying public in the budgeting process where the budget ordinance is not published. Even where it is, there is little public participation for the following reasons: the tendency of the commissioners either to enact such ordinances at meetings from which the public are excluded or at meetings the date and place of which are unknown to the public; the tendency to reach an agreement upon such documents prior to the public meeting and to force through the ordinance so agreed upon with little discussion; and the absence of any specific and mandatory provision in the code calling for such budget hearing meetings. Consequently, the taxpayers are compelled to resort to the courts in order to gain an effective hearing. Such appeals are costly and complicated, requiring the services of legal counsel. The result is that the local taxpayers have practically no voice in the budgeting process except in those restricted localities where, due to peculiar conditions, strong taxpayer associations are in operation and constantly checking the local fiscal operations of these units. For these reasons the opinion of the court, in the case just cited, provides a sound interpretation upon the enactment of such ordinances since it affords the public an opportunity of studying the appropriations and of endeavouring to make their wishes effective by attacking the tax levying ordinance. This, however, is a poor substitute for a mandatory budget hearing. The present statutory provisions should be so revised as to require the commissioners to hold such a hearing, at which the public would be invited to express its views, following the adoption of a tentative budget and prior to its enactment in final form. This would aid in the establishment of an adequate budgetary control. It would also obviate the numerous budget appeals that are continually being filed in equity by the larger taxpayers.

The code makes no provision as to the particular form in which appropriations shall be made other than to state that the commissioners shall by ordinance appropriate "the specific sums required". For this and other reasons the budget ordinances display the same lack of uniformity that characterizes the local accounts. The forms utilized may be broadly classified as follows: (a) Those which appropriate a lump sum for each general township function such as highways, health, administration, and sewers, without any further description of purpose. This is the most common form. These lump sum appropriations do not meet the code provision for the appropriation of "specific sums". (b) Those which appropriate a lump sum for each general township function and in addition thereto describe in a loose, general way the purposes for which each lump sum appropriation is to be expended. (c) Those which, in appropriating a lump sum for each general function, allocate such sum to specific purposes such as personnel service, supplies or materials, salaries, and stationery. This form fully meets the requirement of the code and provides the public with a more complete picture of proposed fiscal operations. The budget ordinance form utilized by Upper Darby is the best of this type. Few of the townships follow this practice though the following do so to some extent: Spring Garden, Mifflin, Penn, and Ridley. (d) Those which, while coming within one of the above classifications, also make appropriations to the individual wards within the township. The outstanding illustration of this type is Whitehall township which appropriates to each of the five wards sums for police, road, fire, and other purposes.

A small number of townships do not publish their entire budget document but only a summary thereof. Among such units may be included Lower Merion, Shaler, Haverford,

Plains, Hanover, and Mt. Lebanon. The reason advanced for this practice is that the cost of such publication would be prohibitive since the detailed appropriations generally cover several typewritten sheets. While this is a sound argument it must be remembered that the purpose of the code in requiring the publication of such ordinances is to provide the local taxpayers with information upon proposed fiscal operations. There appears to be no sound reason why an acceptable compromise cannot be reached by some such publication as that of Upper Darby which in addition to making lump sum appropriations for each general function also allocates such sums specifically to each of the following items: personnel service, services other than personnel, supplies, matetials, equipment, and fixed charges.

The budget ordinances include, with few exceptions, one or both of the following: (a) An appropriation variously known as "miscellaneous", "general", "general fund", "contingent" or "contingent fund", and the like. The following townships, among others, include such items in their ordinances: Abington, Cheltenham, Plymouth, Rochester, North Versailles, Spring Garden, Whitehall, Ridley, Springfield (Montgomery County), Darby, Swatara, and Elizabeth. (b) A phrase such as "and all other incidental expenses", or "and incidental and administrative expenses not contained in other appropriations", following the stated purposes of a general appropriation to such functions as highways and health. Lawrence Park, Jefferson, Neville, Baldwin, and Mt. Lebanon townships afford illustrations.

Such vague titles furnish very little information for the taxpayers and provide the commissioners with full discretion as to expenditures even after a so-called budget has been adopted. There can be no real budgetary control where these practices are prevalent. This is especially true where appropriations are made to two or more such vague purposes as "general fund", "miscellaneous", or "contingencies" as in Spring Garden and several other townships. Nor can there be such control where each appropriation includes a phrase authorizing expenditures for any and all purposes "not contained in other appropriations".

The State Highway Department has attempted to eliminate these defects in the budget ordinance forms by the creation of a model budget ordinance which it has succeeded in getting many of the townships of the second class to adopt. No attempt however has been made to establish such uniform ordinance for the first class units and consequently each unit has adopted its own form. Only two of the first class townships have attempted to adopt budget forms that would conform with the state highway report. In one of these townships, Rochester, the form adopted follows the state highway form in detail while in the other, Elizabeth, the form merely groups the items of the state highway report into five lump sum appropriations.

(5) Budgetary control: The primary purpose in the adoption of a budget has been described. The effect of making unrestricted appropriations may best be shown by a few brief illustrations. The Abington Township appropriation ordinance includes fourteen items one of which is entitled "miscellaneous". This item amounts to $20,000 and $20,275 in the 1933 and 1934 ordinances respectively and in both cases is the fifth largest item in the fourteen. The Rochester ordinance appropriates $4,655 to the "general fund". This item is the largest of the twelve appropriations although the others include such items as the compensation of the treasurer, secretary, and commissioners. The commissioners of Springfield Township (Montgomery County) appropriated the sum of $3,379.53 in 1933 "for all other expenditures".

In other townships an appropriation to highways, for example, will include an item labelled "miscellaneous". Thus, the Baldwin budget ordinance for 1933 appropriates $12,247.72 to highways and allocates $5,500 of such sum to "miscellaneous expenditures not otherwise provided for". One might wonder how these commissioners were able to estimate highway needs so closely as $12,247.72 and yet were compelled to allocate such an extremely large portion of the estimate to "miscellaneous".

The importance of all these practices is in their bearing upon budgetary control. The usual method of maintaining such control is that of setting up the appropriation figure in the books, where such books are maintained, and then placing all items of ex-

penditure under one or the other of the various appropriation figures, as described in the chapter on Accounting. The secretary then adds at monthly or irregular intervals the various sums expended under each appropriation, subtracting such sums expended from the latter figure to show the unexpended appropriation. In most townships the unexpended appropriation balances are shown each month and presented at the monthly meetings of the commissioners by the secretary and, in a few, such monthly statement of the secretary not only shows the unexpended appropriation balances but also the balances of revenue or funds available over actual expenditures of the prior month. Among the townships in which monthly unexpended appropriation balances are shown may be included Baldwin, Wilkins, Elizabeth, Spring Garden, and Whitehall. Among those townships where balances are shown between monthly receipts and expenditures may be included Mt. Lebanon, Shaler, and Spring Garden.

When the commissioners appropriate to such accounts or subject as "contingencies", "general fund", "reserve fund", "miscellaneous", "all other expenditures" and the like-what sums expended shall be charged by the secretary against such appropriations? Obviously any expenditures that he deems fit to so charge or such sums as he is directed to so charge by the commissioners. What is to prevent the secretary from including expenditures for fire, police, highways, and the like, even where appropriations are made for these matters, as credit items in the "contingent" or other general appropriation? Nothing. He may enter any kind of an expenditure against such general appropriation. Furthermore, such sums are so charged against these general appropriations in actual practice.

There is but one conclusion from these facts - the present budget ordinances and documents do not present a complete and definite plan by which the fiscal operations of the township may be directed. When the plan permits any type of expenditure to be charged against a general appropriation there cannot be said to be a plan.

To what extent is the budget plan adhered to? The natural reply would seem to be that, with all the flexibility which the present budgets generally provide, the commissioners should experience little difficulty in meeting this condition. Yet such is not the case. In spite of statutory provision above cited, expenditures above appropriations are frequent.

The following townships among others exceeded one or more appropriations in the fiscal year 1933: Whitehall, Penn, Hanover, Newport, Plains, Coal, and Mt. Lebanon. Because of the difficulty of correlating the annual audit statement on expenditures with the budget appropriation, it is impossible in most cases to determine whether or not appropriations have been exceeded. Many of the officials in the above townships maintained that their budgets had not been exceeded upon the ground that the annual audit statement or the secretary's book showed unexpended balances for each appropriation. The following typical illustrations, taken from Newport in 1933, describe the nature of these unexpended appropriation balances:

Function	Appropriation	Expenditure	Unpaid bills	Amount of excess
Lighting	$ 8,600	$ 2,926.52	$ 5,597.58	----------
Health	5,020	4,339.70	1,090.20	409.90
Water	1,600	1,206.53	778.64	385.17
Fire	16,880	5,153.67	4,044.65	----------
Police	12,430	9,922.97	2,847.52	340.59
Road	16,745	17,907.24	4,164.34	5,326.58
(Coal Twp.)				
Road	53,000	41,215.57	14,769.75	10,685.32
Fire	18,000	8,730.07	14,277.90	5,907.97

The officials point to the fact that expenditures are within the appropriations ignoring the unpaid bills created and also ignoring section 1702, above quoted, which prohibits the incurring of any obligations which would have the effect of causing appropriations to be exceeded. The actual state of affairs is worse than the above figures indicate for in almost every case the expenditures listed are only the ones charged

against the appropriation stated and do not include expenditures made for these purposes and charged against the general fund. Thus in the case of Coal Township the sum $4,833 (fire expenditures charged against other appropriations) must be added to $8,730.07 which would make the amount by which the fire appropriation was exceeded even greater than here indicated. Many other townships follow the same practice.

Many likewise attempt to give the appearance of operating within their budget by making payments from a general appropriation. It is surprising that this is done when section 1702 expressly permits amending ordinances, with the stipulation that such ordinance "shall set out the reasons for and the character of such change". Few townships enact such ordinances, although many of them enact transferring ordinances or resolutions at the end of the fiscal year. Some inkling of the accuracy of budget estimation is given by the amount of the change made in the original budget by such transfer ordinances. In Baldwin township the sum of $7,900 was appropriated in 1933 "for the payment of principal, interest, and state taxes of the bonded indebtedness of the Township". Despite the supposedly fixed nature of such expenditure, the amending ordinance adopted near the close of the fiscal year increased this sum to $12,900.

The practice of making specific appropriations for each ward in the township has shown poor results. In most cases the sums so appropriated are solely for road purposes although in at least one township, Whitehall, the appropriation is for such matters as fire and police protection as well. The amount appropriated is based upon the miles of township highway in each ward and this sum is spent at the sole discretion of the commissioner from that ward. A few illustrations will show the effect upon budgetary control in the townships which adhere to this practice.

Township	Ward	Appropriation	Expended	Balance	Date
Whitehall (1934)	No.1	$ 3,248.17	$ 3,248.17	none	July 6, 1934
	No.2	1,158.01	1,158.01	none	" " "
Elizabeth (1933)	No.1	687.50	687.50	none	Dec. 31, 1933
	No.2	632.50	632.32	.18	" " "
	No.3	687.50	687.48	.02	" " "
	No.4	770.00	770.33	-.33	" " "
	No.5	797.50	797.41	.09	" " "
	No.6	770.00	770.00	none	" " "
	No.7	687.50	687.15	.35	" " "
	No.8	687.50	687.45	.05	" " "
	No.9	715.00	716.33	-1.33	" " "
S. Fayette (1933)	No.1	788.00	714.98	74.02	" " "
	No.2	1,080.00	1,085.05	-5.05	" " "
	No.3	630.00	784.34	-154.34	" " "
	No.4	1,170.00	1,112.95	57.05	" " "
	No.5	1,710.00	1,795.42	-85.42	" " "
	No.6	1,012.50	855.12	157.38	" " "
	No.7	461.50	554.08	-92.58	" " "
Penn (1933)	No.1	1,100.00	1,099.76	.24	" " "
	No.5	1,600.00	2,001.78	-401.78	" " "
	No.8	1,000.00	1,864.31	-864.31	" " "
Penn (1934)	No.4	2,500.00	1,589.64	910.36	July 1, 1934
	No.5	1,500.00	1,362.79	137.21	" " "
	No.6	1,900.00	1,172.15	727.85	" " "
	No.7	275.00	229.00	46.00	" " "
	No.9	1,900.00	1,401.97	498.03	" " "
	No.10	750.00	679.86	70.14	" " "
	No.11	1,550.00	1,060.35	489.65	" " "

The above figures indicate three tendencies where the ward system of appropriation is in effect: (a) for the commissioners to spend the entire sum appropriated; (b) to

do this in the first portion of the fiscal year instead of planning their outlays; (c) to exceed their appropriations.

That it is impossible to maintain budgetary control when a specified sum is set aside for the sole use of a commissioner at his own discretion is attested to not only by the data presented but also by the universal testimony of officials in these townships. Several stated, however, that they saw no way of eliminating the system because of the fear of various portions of the township that they would not receive their fair portion of expenditures and improvements under any other system.

Finally, the problem of budgetary control is further complicated by the lack of relationship between the tax collection and the fiscal year. The commissioners are instructed to enact their budget within sixty days of the first Monday in January. This means that the budget ordinance should be passed and effective by the early days of March. In most townships the local fiscal year begins on January first, or within a few days thereafter. This means that where the budget is not adopted until March first or thereafter, under the practice in most of the townships as above shown, the local officials have been operating for three or more months without a budget. Exceptions are seen in the better managed townships like Lower Merion and Mt. Lebanon. Such a situation does not improve budgetary control and the code should unquestionably be so revised as to require the adoption and enactment of the budget prior to the beginning of the fiscal year instead of some sixty days thereafter.

Summary - Our examination of both the statutory provisions and the existing practices in budgeting discloses a wide-spread absence of scientific or adequate procedure either in making up the budget or in exercising a budgetary control. The problem is therefore not so much that of strengthening a defective procedure as of creating a new one.

CONCLUSIONS

1. FINDING - At present the budget forms used by first class townships are not uniform nor are they sufficiently complete to make comparisons between different townships. Since the forms do not itemize expenditures according to township function it is impossible to ascertain with reasonable accuracy the township functional costs.
RECOMMENDATION - That in view of the urgent need for comparative data on functional costs, a uniform budgetary procedure and set of forms be adopted for first class townships.

2. FINDING - The weaknesses disclosed in accounting systems and in budget procedure are in part due to the part-time character and lack of training of the budgeting personnel.
RECOMMENDATION - That administrative supervision and guidance coupled with assistance in supplying the requisite handbooks of instruction and forms be vested in a state agency. That in view of occasional past failures of state agencies to exercise their powers and duties, an alternative state authority be also designated.

FINDING - The statutory requirements that the budget be enacted within a sixty day period, that it contain specific appropriations, that it be published and that no appropriations shall be made in excess of the budget ordinance have all been ignored on so many occasions and in so many townships, without remedial action having been taken, that the value of these legislative provisions has all but disappeared.

RECOMMENDATION - In view of this general disregard of the statutory mandates, more adequate penalty provisions should be provided by law and their enforcement should be entrusted to the state authority above recommended.

4. FINDING - The estimation of revenues and expenditures is so haphazard and inaccurate that the local units are compelled to negotiate frequent temporary loans, to accumulate large amounts of bills payable or to reduce their assets by drawing down their cash balances. This is due to inaccurate estimation in part, also to the total lack of correlation between the fiscal year and the assessment and tax collection periods.
RECOMMENDATION - That the state agency above recommended, be authorized to examine and report to the state legislature a new arrangement of the assessment and collection periods in relation to the fiscal year and that the same agency be empowered to prescribe

necessary rules of procedure for the estimation of revenues and expenditures.

5. FINDING - The most acceptable budgetary practices were found in those townships where the secretary or manager was made responsible for the preparation of a detailed budget document. These men were the most informed of all local officials upon local fiscal matters.
RECOMMENDATION - That in view of the undoubted superiority of these officials, the responsibility for the preparation of a detailed budget document and its submission to the commissioners by the secretary be vested by statute in the office of secretary or manager.

6. FINDING - Budgets are not adopted until several months after the beginning of the fiscal year. This defeats the objectives of budgeting and of budgetary control.
RECOMMENDATION - That the enactment of a budget for the next succeeding fiscal year be required, by statute, prior to the beginning of such fiscal year.

7. FINDING - The public is not given sufficient opportunity to participate in the process of budget making. The policy of having taxpayers appeal to courts upon budgetary matters is undesirable as placing too great a burden upon the taxpayer and as subjecting judicial process to political influences.
RECOMMENDATION - That a mandatory budget hearing, for the benefit and participation of the public be prescribed, to be held after the adoption of a tentative budget by the commissioners and prior to its enactment in final form by the commissioners.

8. FINDING - A number of local boards amend their budgets by means of unpublished resolutions. This practice is undesirable in that it permits the board secretly to destroy the essence of the budget.
RECOMMENDATION - That all changes in the budget be ineffective until ten days after their publication in ordinance form or until ten days after the filing of the same with the state authority.

9. FINDING - The forms and procedures of budgeting, accounting, auditing, and reporting are closely interrelated. Where defectives exist in one or more of these practices they invariably affect the others. Good budgeting depends upon the completeness and accuracy of data available in the accounts. Good accounting is dependent upon the form of budgeting.
RECOMMENDATION - That in view of this close correlation, the state authority designated with the responsibility for instituting and maintaining a uniform budgeting process be likewise designated as to accounting, auditing, and reporting; and that to this end all local units be compelled to file their budgets as well as annual audit statements and reports with such state agency within fifteen days of the enactment or certification thereof.

CHAPTER VI

AUDITING PROCEDURE

We shall consider briefly the following features of township auditing:

(1) The auditing authority
(2) The elective auditing personnel
(3) Auditing practices under the elective system
(4) Publication and filing of audit statements and reports
(5) Audit forms.

(1) The Auditing Authority - Who shall audit local accounts and fiscal operations? The provisions of the code invest the commissioners with the option of having this function performed either by: (a) Three elective auditors, each of whom serves for a six year term, one being elected every two years, (b) An auditor appointed by the county court of common pleas to make the annual audit, or (c), a controller, elected every four years. The general practice is to have the auditing performed by three elected auditors. Fifty-four of the sixty-one first class townships employed the latter system in 1933, while only two employed the controller, and only three the court appointed auditor.

An examination of the audits made by controllers and court appointed auditors shows that these audits are generally superior to those made by the elected auditors. They are superior in that: (a) Such audits are more complete, more detailed, and better compiled. They present such matters as bills payable at the close of the fiscal year, analyses of functional costs, debt service, outstanding debt, assets and liabilities, and the like. (b) They contain recommendations to the commissioners concerning inefficient bookkeeping practices, illegal transactions and those of doubtful legality, and warnings of the dangers inherent in specified practices. Thus, the Haverford township audit (1933) pointed out that the code provided, section 1801, that all contracts or purchases in excess of five hundred dollars should be based upon an advertisement for bids and that the commissioners had, in one instance, made such a purchase without complying with this provision. It was also suggested that certain minor changes be made in bookkeeping methods and that the commissioners take steps, in lieu of the small amount of fines turned over to the township by the local justices of peace, to have such revenues turned into the township treasury. The auditor of Hanover township in addition to calling the attention of the commissioners to this latter problem, in his 1933 audit, also described the tendency of the board to expend moneys in excess of appropriations, indicating that this was a violation of sections 1702-1703 of the code. (c) These audits are also superior in that they include a consolidated statement of actual rather than nominal revenues and expenditures.

The superiority of the court appointed auditor would seem to be due to two facts: (a) In each case where such an auditor has been appointed the court has selected either a certified public accountant or an accounting firm. (b) Such auditors have made it a point to acquaint themselves with the financial provisions of the First Class Township Code and have not hesitated to set forth the discrepancies between actual practices and the legal stipulations. In addition their training and experience has provided the basis for suggestions as to improvements in the keeping of township accounts.

In view of these facts it is surprising that only two of the twenty-four townships visited have provided for this type of annual audit. Inquiry as to the reasons why their units had not given this method a trial brought forth the following arguments from local officials: (a) The system is too costly. This was the general and primary argument advanced by commissioners and other local officials. They pointed out that according to section 520 of the code, the court is to appoint an auditor "who shall be either a person or firm licensed as a certified public accountant, or a person skilled in auditing work", and that while it was an advantage to employ persons trained in accounting yet such persons demanded more remuneration than the township was compelled to pay for the audit under the elective system. Furthermore, as these officials stated, this same section provides that "the compensation of any such appointed auditor shall be fixed by the court "which subjects the commissioners to the payment of an uncertain

sum.

(b) A second objection to a court-appointed auditor was that such appointments would tend to be political. No evidence was advanced upon this issue though invariably reference would be made to the results of this system some years ago when all local audits were made by court appointed auditors. Obviously this argument is not applicable to the employment of certified accountants by authority of the commissioners alone. Officials were generally agreed that if the commissioners were vested with such authority the employment of an accountant would be most desirable providing that the costs of such audits could be placed within the financial means of the unit.

(c) A few officials expressed themselves as opposed to any audit by what they termed an "outsider". These men were generally opposed to court appointment on the ground that the court might as well select someone not resident in the township to make the annual audit. They also objected to the employment of an accountant by the commissioners on the ground that in many cases it would be difficult, if not impossible, to obtain such person within the limits of the township. The general opposition to an "outsider" was placed on a somewhat vague basis, the intimation being that only a resident of the township would be acquainted with the local situation and competent to deal with local accounts and also that the local taxpayers' money should be retained within the community.

(d) Finally, many opposed any system of auditing other than that by three elected auditors upon purely political grounds. As one president of the board of commissioners stated, "the elective auditor system is a source of political strength, it provides three jobs with little work and additional remuneration". Politically and publicly he stated that he was opposed to any other system. Privately he had no hesitation in stating that from an "efficiency" standpoint the auditing of the local accounts by a controller, a court-appointed auditor, or an outside certified public account hired by the commissioners were all preferable to the three elective auditors.

(2) Auditing Personnel under the elective system - What is the type of auditing personnel obtained under the elective system? In twenty townships where information relating to the occupations of the sixty auditors, responsible for local auditing, was obtained, the following occupations were included: Clerks- store, railway, unemployed, factory, and ledger clerks were among the types described - (12); Coal miners- (6) Banking - teller, cashier and messenger were among those described - (7); Auditors for private firms - (3); Chemists - (3); Mill foreman (3); Carpenters - (2); Painters - (2); Printers - (2); Housewife - (2); Laborer - (2); Accountants - (2); and one each of the following occupations, - retail baker, shipper, manager of specialty shoppe, farmer, bricklayer, cost-estimator, bookkeeper, boilermaker, manufacturer, fruit grower, sales-manager, treasurer of private concern, and trucker.

In these same units, the length of service of these sixty men is indicated by the fact that: eleven were serving their first year of a six year term, six were serving their second year, seven their third year, six their fourth year, four their fifth, four their sixth, one the seventh, five their eighth, three their tenth, and one the fifteenth year. In several other cases it was impossible to obtain an accurate statement of the number of years in service but seven were serving their first term, two were serving a second term, and three were in their third term of office. Otherwise stated this means that out of the sixty elective auditors, seventy-five percent of them were serving their first terms, eighteen and two-thirds percent were serving their second terms, and, six and one-third percent of them only were serving for a third term. These facts indicate a rather high rate of turnover among these officials though the undesirable effects usually attended by such turnover are somewhat counteracted by the employment of the stagger system whereby one auditor is elected every two years for a six year term. The length of the term itself, six years, should provide ample opportunity for the elected auditor to acquaint himself with his duties in time to render efficient service to the township within his first term alone.

The present auditing personnel, under the elective system, is not capable of rendering an adequate auditing service. This conclusion arises from a study of the present auditing practices, hereinafter described, from contact with the auditors themselves,

and from the general opinions expressed by other local officials. It is further attested by the fact that their occupations indicate that only fifty percent of their number have had any prior accounting, bookkeeping or auditing experience. It is significant that those who have had some prior bookkeeping experience, are distributed among only twelve of the twenty units, the books of the remaining townships being audited by men who, as far as their occupations indicate, are unqualified to perform such duty. Whether a simplified accounting system combined with state supervision would permit of an acceptable audit by such men is a question that only actual practice could verify. The annual auditing of township accounts by trained accountants is the only solution that can be unreservedly recommended.

(3) Auditing practices under the elective system - What procedure is followed in the auditing of township accounts? Relevant portions of the code provide as follows:

"The auditors of townships shall meet annually, on the day following the day (first Monday of January) which is fixed by this act for the organization of the township commissioners, and shall audit, settle, and adjust the accounts of the township commissioners, township treasurer, tax collector, secretary, and other officers and persons receiving and disbursing or authorizing the disbursement of the moneys of the township during the preceeding fiscal year" (Section 1001).

"The auditors shall cancel all orders and vouchers presented to them, which they find have been paid, by writing the word "audited" on the face thereof" (Section 1004).

"The accounts of the officer or officers in question may be investigated de novo. the figures and facts found and stated by the auditors in their report of audit shall be taken as prima facie correct, as against any such officer, and the burden shall be upon each officer whose accounts are in question to establish the validity of the credits which he claims" (Section 1015).

"Two auditors shall constitute a quorum" (Section 1001).

In addition to these procedural stipulations the auditors are given certain specified powers such as to subpoena records, to compel attendance, to administer oaths, to employ an attorney, to surcharge local officials for balances remaining against them, and to enforce the collection of the same by filing and prosecuting actions in the courts.

It is extremely difficult to obtain any detailed statement as to the auditing procedure. While much difficulty was encountered in securing information on exact details of auditing prodecure, the following features deserve comment: (a) The burden of actual auditing usually falls upon one or two of the three auditors; (b) The auditors place a heavy reliance upon the secretary and treasurer in making their audit; (c) They rarely exercise the powers, cited above, which are granted to them by the code; (d) They exercise no controller powers, that is they do not go beyond a specific bill to investigate such matters as price, quantity, and quality; and (e), they do not attempt to enforce such portions of the code as sections 1702-1703 which stipulate that all payments in excess of appropriations are to be considered void. Nor do they even go so far, generally, as to point out such matters and recommend some form of action to the commissioners.

The auditors rarely exercise their power of surcharging township officers for illegal financial acts. Such surcharging would quickly put an end to such measures as the payment of warrants in excess of appropriations, or for purposes for which no appropriation has been made, or payments made by virtue of an account described as an "unappropriated fund," or payments of warrants out of improper accounts as where an appropriation is made for such matters as highways, health, and the like and a temporary loan from the sinking fund totalling $500 is repaid by taking one hundred dollars from each of several funds, as was the case found in one township.

It is significant that the rare instances of surcharging and appeals from the annual audit statement are usually found in those units and regions where a strong taxpayers' association or civic organization exists and carefully scrutinizes local ad-

ministration.

The auditors generally do not go beyond the specific bills for which payment has been made in the auditing of the accounts. In short verification of the mere existence of a bill of specified amount, a voucher for such payment, and a proper entry in the ledger is held a sufficient performance of their duty, unless of course, a lack of balance is shown in these items. No attempt is made to verify the bill or to investigate the validity of the charge.

Whether the present systems of auditing are retained or not, it would be highly desirable that the legislature clearly and in unequivocal language empower the auditing authority to exercise a restricted power of passing upon the excessive amount and the propriety of bills. Such a power might be limited to investigation of those which the auditor or auditors hold to be unreasonable upon their face. An unlimited authority over this matter would not be necessary or advisable.

The auditors rarely make any recommendations to the commissioners as to such matters as illegal practices, bad bookkeeping methods and the like. Not only would such recommendations and warnings be an aid to efficient budgetary control but they could be the means of securing and maintaining better accounting methods. Where the auditing is performed by an accountant appointed by the court such recommendations and warnings are placed before the commissioners. No instance was found of a similar practice among the elective auditors except in the rare instances where one of the elective auditors was versed in methods of accounting.

Why do auditors fail to exercise these powers? The reasons are varied:

(a) Ignorance of the law upon the part of the auditors.
(b) The difficulty which these officials have in understanding and interpreting the law relating to their office.
(c) The lack of knowledge and general lethargy of many such officials. The latter of these causes can only be eliminated by the elimination of personnel of this type. However, it is felt that the former causes are in their nature remediable. No sound reason exists for placing the burden upon these officials to obtain copies of the law relating to their office and to interpret the same. An idealist might argue that no one should assume an office without acquainting himself with its duties. In a practical world, however, it is too much to ask that a man otherwise occupied, obtaining small remuneration, active officially only for a short time each year, lacking knowledge as to possible sources of information, and not versed in legal phraseology, should acquaint himself with the legal basis of his office and make interpretations of the same. If the elective system is retained handbooks should be provided for the auditing personnel describing the nature, duties, and powers of the office in concise, simple language. They should likewise be informed that the state agency invested with general supervision over local financial administration is at all times available to them in an advisory capacity.

(4) The publication and filing of audit statements or reports - The relevant statutory provisions are as follows:

> "The auditors shall complete their audit, settlement and adjustment within as short a time as possible.....They shall, within ten days thereafter, publish, by advertisement in at least one newspaper of general circulation printed in the township or county, a concise itemized statement of the receipts and expenditures of the several officers for the preceeding fiscal year, they shall also, within ten days thereafter, file a copy of such statement with the secretary of the township and another copy of such statement with the clerk of the court of quarter sessions" (Section 1003).

Both the letter and the spirit of this section are generally ignored.

Audits are not made within the time limit set by law. An even greater laxity exists in the filing of audit statement with the clerk of the quarter sessions court. This filing is of utmost importance since it is the only permanent record maintained of such statements for most units, as local papers and records are continually being lost,

destroyed either wilfully for political reasons or by fire, and discarded for want of space. Three townships publish neither an audit statement or even a summary thereof.

In Allegheny county the following townships had not as yet filed their 1933 audit on August 20th, 1934: East Deer (last report to be filed was that of 1930 which was filed on March 16, 1931), Neville, Penn, Ross, Scott, and Springdale. In Delaware county the following townships had still not filed their 1933 audit reports on June 25, 1934: Upper Darby, Springfield, Tinicum, Lower Chichester, Darby and Aston. Investigation further revealed that the annual audit statements of Annville and West Lebanon had not been filed since 1925 and that Lackawanna auditors had not filed their annual report since 1928.

Township	Date Certified	Date Filed
Collier	Jan. 5, 1934	Feb. 7, 1934.
Jefferson	Mar. 7, 1934	Mar. 26, 1934.
Neville	Apr. 3, 1934	Not filed- Aug. 20, 1934.
Scott	Feb. 12, 1934	Not filed- Aug. 20, 1934.
Wilkins	Feb. 16, 1934	Mar. 31, 1934.

In the above group are listed those units whose audit statements for the year 1933 were certified as completed and approved by affidavit and the date of the receipt of such audit statements by the clerk of courts. The auditors, in each case, failed to file their report within the stipulated ten day period. The illustrations here set forth are not exceptional, they are typical of a general disregard of the statutory mandate.

Section 1005 of the Act provides for the failure of any auditor to comply with the above provisions "a penalty of one hundred dollars, to be recovered by suit, instituted in the name of the township, upon the complaint of any taxpayer, in the same manner as debts of like amount are recoverable." This penalty provision is ineffective since it depends upon the investigation, knowledge and initative of a tax payer. What is needed is an enforcing stipulation which will confer not only on the tax payers but on the clerk of courts or some other interested party the same right of instituting an action, with the further proviso that costs of such suit shall be defrayed either by the township or the auditors upon the conviction of the latter.

A similar laxity exists in regard to the publication of the annual audit statement. The following townships do not publish their annual statements: Annville, West Lebanon, Ross, South Versailles, Braddock, West Pottsgrove, and Wilkes-Barre. Although statements were made by local officials in other townships to the effect that their annual audit report was published, an investigation failed to uncover such publication. The reason generally advanced for failure to publish such reports is that it would involve an unnecessarily large printing charge. While many units do publish either an audit report or a portion thereof, the publication is either so condensed or so defective that it can by no stretch of the imagination be considered as fulfilling the requirement of the law calling for the setting forth of itemized expenditures and receipts.

(5) Auditing forms - What purposes should an audit form or statement serve? Two primary purposes may be listed, among others: (a) To provide a concise picture of the fiscal operations of the specific unit during the fiscal year just closed and of the fiscal status of the township as of the date of the audit. (b) To place such concise fiscal summary before the local officials and local taxpayers in order that they may pass judgment upon past operations and form judgments as to future fiscal policies. This appears to be the intent of the statute, section 1003 above cited, which provides that the auditors shall publish a "concise itemized statement of the receipts and expenditures of the several officers for the preceeding fiscal year".

A distinction must first be made between the published audit statement and the one actually compiled. Some townships publish the full and complete audit statement compiled by the auditors. Among these may be listed: Lower Merion, Nether Providence, Swatara, Jefferson, Newport, Harrison, Spring Garden, Shaler, and Abington. Others pub-

lish only a summary of the audit statement. Among these may be listed: Haverford, Whitehall, Hanover, Baldwin, Penn, and Radnor.

The audit forms are adapted to the accounting systems of the units audited. Consequently the diversities of the accounting system are repeated in the audit forms. The defects of the former are displayed in the latter. Accordingly audit statements may be classified or grouped upon the basis of the accounting system. (1) Those which show merely the transactions of the general fund. Eleven out of forty audit forms are set up on this basis. Among these units may be listed: Crescent, Tinicum, Swatara, Hanover, and West Norriton. (2) Audit forms which set forth fiscal operations (receipts and expenditures) within two or more independent funds. Seven out of forty audit statements were so set up including the following units: East Deer, Newport, and Springdale. (3) Forms which show all fiscal operations upon the basis of a general fund and in addition thereto include one or more separate accounts of one of the general fund transactions such as debt service. Twelve audit statements were of this type including the following units among others: South Fayette, Coal, Elizabeth, Annville, Cheltenham, Nether Providence, and Leet. (4) Audit statements describing fiscal operations within two or more independent funds and in addition thereto including one or more separate accounts of a single transaction within one of the independent funds. The remaining nine units utilize this method. They include among others, Lower Merion, Radnor, Rochester, Harrison, and West Lebanon.

The audit statement may be further classified upon the basis of its treatment of expenditure items. (1) Audit forms in which expenditures are not only itemized but also classified according to function. Twenty-three out of forty units may generally be included in this group although there is no uniformity either in the classification of expenditure or in the extent to which expenditures are itemized. (2) Audit forms in which expenditures are itemized but not classified. Eleven townships come within this group. (3) Those in which the sums expended are classified by totals but not itemized. (4) Those which classify expenditures by total primarily but also set up itemized expenditures for one or more classes.

Difference of practice exists as to such important matters as the amount of bills payable and/or warrants outstanding at the close of the year, and assets and liabilities. In the case of bills payable a study of the annual statements of forty townships for the year 1933 revealed that only seven out of the group included the amount of bills payable, twelve included the amounts of warrants outstanding, and two included both the amounts of warrants and bills outstanding. Only twenty-one of the units, therefore, included any statement as to these matters while nineteen made no mention of either of them.

Twenty-seven of this same group of townships included a statement of assets and liabilities in some form in their audit statements while thirteen did not. Of these twenty-seven, however, one included a statement of assets only while two others merely included an inventory. Of the remaining twenty-four, five limited the statement of their assets to accounts receivable such as outstanding and liened taxes. Eleven audits included somewhat condensed statements of property values in their assets while only seven presented such property assets in sufficient detail. In no case did the audit include an item showing an estimate of depreciation of property value though this fact does not preclude an allowance for such amounts in the estimation.

The evidence points to the definite conclusion that the present audit statements of these units do not, except in rare cases, perform the function of presenting a concise picture of the fiscal operations during the previous year and of the fiscal status of the township as of the date of the audit. Do these audit statments, then, provide the local officials and the local taxpayers with sufficient understandable, informative data from which judgments may be formed as to future fiscal policy? The data presented are incomplete as already shown. They are compiled in such manner as to render an intelligent interpretation impossible without the aid of the township accounts and the explanations of the local officials. Aside from incompleteness the following difficulties confront the taxpayer and local official in understanding and interpreting these audit statements: (a) The practice of setting up such statements upon a basis of nominal receipts and/or expenditures. (b) The practice of setting up independent funds without

accompaning the same with consolidated balance sheets. (c) The practice of making numerous transactions within funds. (d) The practice of including in such statements the number of each warrant, the payee thereof, and the purpose, without prividing any consolidated balance sheet.

Several townships make a definite attempt to inform the local taxpayers as to the fiscal status and operations of their government at the close of each fiscal year by the issuance of an annual report. The report of Lower Merion is the most elaborate and complete. It is of course not adapted to the smaller units with restricted operations and resources. Attention is called, however, to the Springfield report as being within the means of many of the first class townships and as being worthy of imitation with the modifications necessary to the peculiar conditions of each unit. The Springfield report is a small pamphlet of ten mimeographed pages containing, among other things, a consolidated balance sheet of receipts and expenditures, itemized expenditures for each specific function and for debt service, itemized statement of tax and other receipts, the annual reports of the building inspector, board of health, board of adjustment, and other administrative agencies, and a graphic statement of the utilization of the tax dollar and per capita costs for the main functions of government. The only criticism lies in the fact that several nominal transactions are included in the consolidated statement, and, therefore, the taxpayer is compelled to sift these transactions before he can obtain a picture of actual receipts and expenditures. The report could also be improved by the insertion of budget appropriations and more detail upon bonded indebtedness.

Summary - Present practices in the annual auditing of township accounts are charterized by the same lack of uniformity and adequacy that characterize local budgetary and accounting procedures. The primary purpose of an audit is to check the regularity of local accounts and fiscal operations and to inform the taxpayers of the township of its fiscal status at the end of each year. Obviously the limitations of auditing procedure are largely determined by the limitations of the accounting system. Where the latter segregates and allocates properly the audit may show such segregation and allocation. Where the accounts are defective, the audit will also be defective unless, as is not usually the case, the auditing personnel are especially versed and trained in accounting. The basic problem is one of establishing an adequate and uniform accounting system. The supplementary problem is one of obtaining auditing personnel capable of handling such accounts by experience and training. The latter problem should not be under-estimated but it is not too much to suggest that the establishment of an adequate and simplified accounting system would go far toward the solution of this difficulty. The present deficiencies of the local auditing procedures are not solely ascribable to the incompetency of the auditing personnel. They are inherent in the diversities and confusion now existent in the bookkeeping methods employed by these units. With much truth it can be said that no auditing procedure or form is better than the accounting system or forms which it presumes to audit.

CONCLUSIONS

(1) FINDING - The annual audit statements do not provide an adequate, readily understandable description of the fiscal operations of the township. Nor do they indicate the fiscal status of the unit at the close of the year. This is largely due to the incompleteness of the data presented, the inclusion of purely nominal items, and the complexity and frequency of inter-fund transactions.

RECOMMENDATION - That in view of the need for more complete and uniform audit reports, a uniform auditing procedure be adopted for the first class townships.
RECOMMENDATION - That the institution and maintenance of uniform auditing procedures and forms be vested in a state agency similarly empowered in regard to accounting, budgeting, and reporting.

(2) FINDING - The defects of the audit practices are due to the part-time and untrained character of local auditing personnel.
RECOMMENDATION - That the commissioners shall be permitted to appoint a certified public accountant to make the annual audit.
RECOMMENDATION - That the commissioners be empowered to request the state authority,

above recommended, to make the annual audit. Such audit to be made by certified accountant employees of the state agency at cost.
RECOMMENDATION - That, in view of occasional past failures of state agencies to exercise their powers, an alternative state authority be designated for this purpose.

(3) FINDING - The local auditors rarely exercise their powers of surcharging local officials for violations of the code provisions in regard to fiscal matters. This is partly due to a lack of familiarity with the law, partly to a wilful disregard of its provisions.
RECOMMENDATION - That in view of this situation, the state authority vested with supervision of local auditing be empowered to inspect and audit the books and accounts of any township at any time.
RECOMMENDATION - That this audit be made either upon the initiative of the state authority or upon the petition of a specified percentage of the local taxpayers.
RECOMMENDATION - That the state agency be empowered to prosecute any township official revealed by such inspection and audit to be guilty of malfeasance in office, in the name of the Commonwealth.

(4) FINDING - The range of diversity within this group of townships is so great that a single, uniform auditing procedure and form is not feasible without further classification.
RECOMMENDATION - That in view of this diversity, the state agency should be empowered to further classify these units in the instituting of uniform auditing forms and procedures.

(5) FINDING - Auditing costs must be kept within the financial means of the various townships. The present auditing costs are proportionately higher than is necessary due to the faulty nature of their budgeting and accounting systems.
RECOMMENDATION - That in view of these facts, the auditing procedures and forms adopted in the institution of a uniform system should be of utmost simplicity and should be closely correlated to the uniform budgeting and accounting systems.

(6) FINDING - The local auditing personnel has shown a general disregard of the statutory provisions concerning the period in which the audit must be completed and filed.
RECOMMENDATION - That all audits be completed within thirty days of the close of the fiscal year.
RECOMMENDATION - That a copy of the annual audit of every township be filed with the designated state agency within ten days of its completion.
RECOMMENDATION - That no auditor be considered as discharged of his duties until the audit has been so filed and received the approval of said agency. Provided, that if the state agency fails to act within thirty days the audit shall stand approved. Provided further, that such approval or disapproval shall not affect the right of local taxpayers to file an appeal from the annual audit.
RECOMMENDATION - That adequate penalty provisions to be enforced by the state agency, be provided by law.

(7) Alternative Recommendations - That in the event recommendations included under number three are not adopted; the following modifications be made in the existing legislation -

(a) That no persons be qualified to audit local accounts unless they shall have had at least one year of accounting training or experience.

(b) That the court of common pleas shall appoint a non-resident certified accountant to make the annual audit upon the petition of the owners of twenty five percent of the assessed real estate valuation of said township.

(c) That all audits be completed within thirty days of the close of the fiscal year.

(d) That the annual audit statement be filed with a designated state agency within ten days of the completion of the audit and that such state authority

be properly empowered to enforce such provisions under adequate penalty stipulations.

(e) That all auditors be compelled, as a condition precedent to the assumption of the duties of their office, to register with the said state agency. That upon such registration the auditors shall be provided, without cost, with a handbook describing the nature of their powers and duties and recommending the more acceptable and efficient procedures to be followed.

(f) That the state authority employ field agents to aid and advise the local auditing personnel.

(g) That auditors be authorized to investigate the propriety or excessiveness of any bill or warrant which they deem to be unreasonable on its face.

CHAPTER VII

REVENUES

The first class townships derive their income from two general sources: revenue and non-revenue receipts. Revenue receipts include all income which increases the aggregate assets of the township without increasing liabilities or decreasing existing assets, e. g. taxes on real estate and personal property, special assessments against real estate for improvements, licenses and fees required of certain trades and businesses, fines and forfeits, interest received on cash balances, gifts and grants from the State or other units of government and occasionally from individuals, and the earnings of departments from services such as sewage disposal and water supply. Non-revenue receipts, which increase assets by creating corresponding liabilities, include proceeds from the sale of bonds, from temporary loans, refunds and the sale of property and supplies. Receipts from non-revenue sources are sporadic and uncertain depending upon the necessity for borrowing, the opportunity or necessity of selling surplus or unsuitable supplies, and the extent to which errors or joint construction lead to refunds. The two groups are distinguished to permit a clearer analysis of current operations and to determine the extent to which townships must borrow in order to carry on established services.

As is shown in Table IV, some 68% of the total income of all first class townships is derived from taxation. The code specifies that the tax levy be made upon "all property and upon all occupations within the township made taxable for township purposes, as ascertained by the valuation for county purposes made by the assessors of the several counties of this Commonwealth for the year for which the township taxes are levied." This makes the assessment of property a county function. It has been so treated in the preceding chapters on the county. The subject need be considered here only as it affects the period of tax collection and the budgeting process. (See Chapter XX on Budgeting.) Delay by the county authorities in providing township officials with the assessment duplicate until well after the beginning of the fiscal year causes a discrepancy between the periods of incoming revenues and expenditures, which makes budgetary control difficult.

The Levy of Taxes - Since the township commissioners usually do not receive the assessment duplicate from the county authorities until after the sixty day period within which they are required to adopt a budget and its accompanying appropriation and tax-levying ordinances, they must either base their tax rates upon estimates of the assessed valuation or delay the process of budgeting beyond the statutory period. Both procedures are followed in different townships.

The scientific method of fixing a tax rate in normal times would be to estimate the anticipated needs of the coming fiscal year and then divide the amount so determined into the assessed valuation. The result would be the number of mills that would have to be levied. In practice, however, the commissioners first turn their attention to the millage rate and determine whether the public will be satisfied with the retention of the rate for the preceding year or will demand a decrease.

The purposes and rates of taxation have been delimited in part by the State legislature. Under the present code the commissioners may levy any or all of the following taxes:

1. "An annual tax for general township purposes not exceeding ten mills." This rate may be increased 5 mills upon petition of the commissioners to the court of quarter sessions, but if the owners of 50 per cent of the assessed valuation of real estate object at the court hearing the petition is to be denied. Due to the scant limitations upon levies for numerous special purposes such petitions are extremely rare.

2. "A tax for the purpose of building and maintaining suitable places for the housing of fire apparatus." Such a tax is levied by Spring Garden, Hanover and West Norriton townships. In 1933 Springfield township (Delaware County) also levied such a tax.

3. "A... tax, not exceeding one-tenth of one mill, for the purpose of caring for

trees."

4. "A.... tax, not exceeding fifty percentum of the rate of assessment for township purposes, for the purpose of procuring a lot and/or erecting a building thereon for a town house, and for the payment of indebtedness incurred in connection therewith."

5. "A ... tax sufficient to pay interest on indebtedness and sinking fund charges." Approxiamately two-thirds of the townships levy such a tax.

6. "A tax, not to exceed two mills on the dollar of the assessed valuation of taxable property in such township, for the purpose of maintaining and operating parks, playgrounds, playfields, gymnasiums, public baths, swimming pools and recreation centers."

7. "A tax, not exceeding two mills on the dollar of the assessed valuation of taxable property in such township, for the purpose of establishing a public library" (Act of July 20, 1917, P. L. 1143). Upper Darby was the only township of those visited where such a tax was levied. Other townships, however, make annual donations to libraries from their general funds.

In addition the commissioners may levy other taxes in the nature of special assessments, e. g., for street lighting, water supply, and fire protection. Such taxes may be assessed, like other special assessments, against the abutting property owners or the commissioners may create districts within the township for these purposes and levy the special taxes against the property in those districts. Several townships have established street lighting and fire districts.

At present there is no definite limit to the total township tax rate because maximum limits have not been placed upon taxes for such purposes as housing fire apparatus or debt service. Local taxpayers' associations frequently demand reductions of particular rates but even when they succeed in reducing some rates they may meet with higher rates for other purposes. The total rate cannot well be fixed by statute because of the diversity in such matters as taxable valuation and local needs. If the total rate is to be regulated at all it must be by administrative action of a safeguarding nature invoked upon application of taxpayers.

Table I gives a general view of the rates levied in first class townships in 1930 and 1932. It shows the extreme range of millage rates, of total tax levies, and of per capita levies. The data on total taxes levied and millages were taken from the assessment and tax collection statistics of the Bureau of Statistics in the Department of Internal Affairs. All other data were computed.

In 1932 the township levy comprised less than thirty per cent of the total levy in 52 of the 61 first class townships. This was in decided contrast to the school levy which accounted for more than 50 per cent of the total in 39 townships. The ratio of the township tax to the total was only slightly different in 1930, in that year being less than 30 per cent of the total in 48 townships. Thus between 1930 and 1932 township officials were slightly more successful than school boards in adjusting their tax rates to the depression.

Between different townships there is a notably wide range in the tax rate, in the per capita tax burden and in the ratio of the township tax to the total levy. The lowest millage in 1930 was four (Ross) and the highest sixteen (Patterson) while the average for all 61 townships was slightly under 10 mills (9.85). In 1932 the millage ranged from 3.25 in Ross to 16 in Patterson and the average was slightly over nine (9.27) mills. Patterson retained its high position in 1933 with a 16 mill levy as contrasted with a 4 mill levy in South Fayette, Ross and Springdale. The average millage in 1933 was 9 mills, or approximately 9 per cent less than in 1930.

Similar variations are found in comparing per capita tax burdens. The largest per capita township levy in 1930 was that of Neville ($38.50) and the lowest that of Leet ($1.90). In 1932 the highest and lowest rates were, respectively, those of Neville ($37.30 and South Versailles ($2.00). There is a close correlation between the size of

TABLE I
DISTRIBUTION OF TAX LEVY AND MILLAGE

Township	1930			1932			Tax Rate in Mills	
	Total Taxes Levied	Per Capita	Percent of Total	Total Taxes Levied	Per Capita	Percent of Total	1930	1932
Upper Darby								
Township	$ 704,193	$ 15.10	32.2 %	$ 760,389	$ 16.31	30.9 %	15.50	13.25
School	1,213,614	26.03	55.5	1,272,120	27.28	51.7	23.00	23.00
County	222,134	4.76	10.2	287,594	6.17	11.7	3.25	4.25
Poor	47,745	1.02	2.1	138,951	2.98	5.7	.90	2.50
Total	2,187,686	46.92		2,459,054	52.74		42.65	43.00
Lower Merion								
Township	97,829	27.72	33.9	782,424	22.25	32.0	12.00	9.00
School	1,044,806	29.71	36.4	1,035,099	29.43	42.3	13.00	12.00
County	852,542	24.24	29.7	627,652	17.85	25.7	4.00	3.00
Poor	-------	-----	----	-------	-----	----	-----	-----
Total	2,872,177	81.67		2,445,175	69.53		29.00	24.00
Haverford								
Township	328,617	15.38	29.7	357,739	16.75	27.8	12.00	11.50
School	607,946	28.46	54.9	671,402	31.43	52.3	22.00	23.00
County	146,547	6.86	13.2	181,959	8.52	14.1	3.25	4.25
Poor	24,575	1.15	2.2	72,974	3.42	5.8	.90	2.50
Total	1,107,685	51.85		1,284,074	60.11		38.15	41.25
Coal								
Township	114,013	5.72	15.9	141,921	7.12	16.5	7.50	9.50
School	493,506	24.76	68.9	448,173	22.49	52.2	32.00	30.00
County	108,682	5.45	15.2	120,125	6.03	13.9	7.00	8.00
Poor	-------	-----	----	149,391	7.50	17.4	----	10.00
Total	716,201	35.94		859,610	43.13		46.50	57.50
Abington								
Township	309,023	16.57	30.0	298,476	16.01	29.7	10.50	10.50
School	585,545	31.40	56.8	599,732	32.16	59.7	25.00	25.00
County	135,899	7.29	13.2	106,126	5.69	10.6	4.00	4.00
Poor	-------	----	----	-------	----	----	----	----
Total	1,030,467	55.26		1,004,334	53.86		39.50	39.50
Hanover								
Township	665,274	37.44	27.9	272,160	15.32	19.0	9.10	5.60
School	805,791	45.35	33.8	510,013	28.70	35.5	11.00	10.30
County	652,617	36.73	27.4	385,928	21.72	26.9	8.90	7.80
Poor	255,875	14.30	10.9	267,300	15.04	18.6	3.50	5.50
Total	2,379,557	133.91		1,435,401	80.78		32.50	29.20
Plains								
Township	113,336	7.06	14.4	92,620	5.77	16.5	10.00	11.00
School	533,624	33.26	67.9	355,899	22.18	63.3	49.00	43.00
County	99,737	6.22	12.7	67,309	4.20	12.0	8.90	7.80
Poor	38,379	2.39	5.0	46,355	2.89	8.2	3.50	5.50
Total	785,076	48.93		562,183	35.04		71.40	67.30
Cheltenham								
Township	375,135	23.85	28.3	383,635	24.39	32.9	15.00	15.00
School	574,101	36.49	43.4	565,141	35.93	48.4	23.00	22.00
County	374,381	23.79	28.3	217,992	13.86	18.7	4.00	3.00
Poor	-------	-----	----	-------	-----	----	----	----
Total	1,323,617	84.14		1,166,768	74.17		42.00	40.00
Mt.Lebanon								
Township	267,990	19.99	29.9	261,278	19.49	27.0	10.00	9.00
School	368,806	27.52	41.1	377,501	28.17	39.1	15.00	13.00
County	222,621	16.61	24.7	246,555	18.40	25.5	8.38	8.38
Poor	37,234	2.78	4.3	81,485	6.08	8.4	1.50	3.00
Total	896,651	66.90		966,819	72.13		34.88	33.38

TABLE I
DISTRIBUTION OF TAX LEVY AND MILLAGE

Township	1930			1932			Tax Rate In Mills	
	Total Taxes Levied	Per Capita	Percent of Total	Total Taxes Levied	Per Capita	Percent of Total	1930	1932
Stowe								
Township	$ 144,395	$ 10.80	26.8 %	$ 141,170	$10.56	27.9 %	13.50	13.50
School	238,074	17.81	44.0	244,051	18.26	48.3	23.00	23.00
County	91,797	6.87	17.0	89,708	6.71	17.8	8.38	8.38
Poor	66,046	4.94	12.2	30,500	2.28	6.0	1.50	3.00
Total	540,312	40.42		505,429	37.81		46.38	47.88
Penn								
Township	114,363	8.57	23.8	103,788	7.78	20.5	9.00	13.50
School	231,313	17.34	48.1	257,937	19.34	50.7	18.00	23.00
County	114,948	8.62	24.1	110,233	8.27	21.7	8.33	8.33
Poor	19,238	1.44	4.0	35,867	2.69	7.1	1.50	3.00
Total	479,862	35.97		507,825	38.08		36.88	47.88
Harrison								
Township	94,391	7.62	24.6	97,924	7.91	23.6	10.00	10.00
School	189,986	15.34	49.5	206,897	16.70	49.9	19.00	20.00
County	85,078	6.87	22.2	83,108	6.71	20.0	8.38	8.38
Poor	14,110	1.14	3.7	27,037	2.18	6.5	1.50	3.00
Total	383,565	30.97		414,966	33.50		38.88	41.38
Radnor								
Township	195,110	15.91	28.4	215,736	17.59	27.7	10.00	10.00
School	335,899	27.39	48.9	327,312	26.69	42.0	17.00	15.50
County	138,223	11.27	20.1	182,973	14.92	23.5	3.25	4.25
Poor	17,607	1.44	2.6	52,888	4.31	6.8	.90	2.50
Total	686,839	56.00		778,909	63.52		31.15	32.25
Newport								
Township	237,085	19.61	18.2	176,844	14.63	21.6	9.50	10.00
School	752,431	62.25	57.9	405,755	33.56	49.7	30.00	22.60
County	222,730	18.43	17.2	138,679	11.47	17.0	8.90	7.80
Poor	87,347	7.23	6.7	95,278	7.88	11.7	3.50	5.50
Total	1,299,593	107.52		816,556	67.56		51.90	45.90
Whitehall								
Township	84,449	7.89	33.0	62,965	5.88	34.9	12.50	12.50
School	141,137	13.18	55.1	97,963	9.15	54.4	19.00	20.00
County	30,312	2.83	11.9	19,305	1.80	10.7	4.00	4.00
Poor	------	----	----	------	----	----	-----	-----
Total	255,898	23.90		180,233	16.83		35.50	36.50
Shaler								
Township	90,304	9.43	28.1	95,720	10.00	27.5	10.00	10.00
School	134,382	14.04	41.9	143,075	14.95	41.3	15.00	15.00
County	83,123	8.68	25.8	82,159	8.58	23.7	8.38	8.38
Poor	13,553	1.42	4.2	26,119	2.73	7.5	1.50	3.00
Total	321,362	33.57		347,073	36.26		34.88	36.38
South Fayette								
Township	29,935	3.27	15.9	23,688	2.59	13.7	7.50	6.00
School	117,223	12.82	62.2	105,106	11.49	60.7	29.00	26.00
County	35,389	3.87	18.7	33,363	3.65	19.3	8.38	8.38
Poor	6,004	.66	3.2	10,969	1.20	6.3	1.50	3.00
Total	188,551	20.61		173,126	18.93		46.38	43.38
Butler								
Township	85,685	9.92	28.1	76,794	8.89	26.1	10.00	9.00
School	145,428	16.83	47.7	144,235	16.69	49.0	16.00	16.00
County	73,635	8.52	24.2	73,413	8.50	24.9	8.50	8.50
Poor	-------	-----	----	-------	-----	----	-----	-----
Total	304,748	35.27		294,442	34.07		34.50	33.50

TABLE I
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Township	1930			1932			Tax Rate In Mills	
	Total Taxes Levied	Per Capita	Percent of Total	Total Taxes Levied	Per Capita	Percent of Total	1930	1932
Ross								
Township	$ 37,368	$ 4.35	14.8 %	$ 31,845	$ 3.71	11.7 %	4.00	3.25
School	119,052	13.87	47.2	127,802	14.89	47.1	13.25	13.25
County	82,653	9.63	32.7	84,758	9.88	31.3	8.38	8.38
Poor	13,361	1.56	5.3	26,905	3.14	9.9	1.50	3.00
Total	252,434	29.42		271,310	31.62		27.13	27.88
Ridley								
Township	85,223	10.24	33.0	92,064	11.06	32.3	10.00	10.00
School	134,839	16.19	52.2	128,852	15.48	45.3	16.00	14.00
County	30,587	3.67	7.8	41,968	5.04	14.7	3.25	4.25
Poor	7,670	.92	3.0	21,853	2.62	7.7	.90	2.50
Total	258,319	31.02		284,737	34.20		30.15	30.75
Mifflin								
Township	59,061	7.23	24.3	52,920	6.48	23.7	12.00	12.00
School	133,072	16.29	55.0	120,869	14.80	54.2	30.00	30.00
County	43,267	5.30	17.7	37,058	4.54	16.7	8.38	8.38
Poor	7,343	.90	3.0	12,083	1.48	5.4	1.50	3.00
Total	242,743	29.72		222,930	27.30		51.88	53.38
Elizabeth								
Township	33,351	4.46	18.2	25,846	3.46	14.7	7.00	5.50
School	98,170	13.13	53.5	96,938	12.96	55.3	21.00	21.00
County	44,701	5.98	24.4	40,431	5.41	23.0	8.38	8.38
Poor	7,152	.96	3.9	12,232	1.64	7.0	1.50	3.00
Total	183,374	24.52		175,447	23.46		37.88	37.88
Wilkes-Barre								
Township	78,053	10.88	16.4	13,197	1.84	4.7	10.00	2.50
School	300,497	41.88	63.3	193,375	26.95	69.3	39.00	36.00
County	69,410	9.67	14.6	43,368	6.04	15.5	8.90	7.80
Poor	27,119	3.78	5.7	29,033	4.05	10.4	3.50	5.50
Total	475,079	66.20		278,973	38.88		61.40	51.80
Baldwin								
Township	55,013	8.63	29.2	51,194	8.04	28.3	9.00	9.00
School	69,925	10.98	37.0	66,192	10.39	36.5	12.00	12.00
County	54,817	8.60	29.0	48,288	7.58	26.7	8.38	8.38
Poor	8,985	1.41	4.8	15,466	2.43	8.5	1.50	3.00
Total	188,740	29.62		181,140	28.43		30.88	32.38
Swatara								
Township	21,635	3.42	21.6	14,512	2.29	15.7	9.00	6.00
School	62,968	9.94	62.9	62,228	9.83	67.4	24.00	23.00
County	15,458	2.44	15.5	15,593	2.46	16.9	6.00	6.00
Poor	------	----	----	------	----	----	----	----
Total	100,061	15.80		92,333	14.58		39.00	35.00
Scott								
Township	49,352	7.96	30.6	47,300	7.63	27.4	10.00	10.00
School	61,446	9.91	38.0	72,204	11.64	41.9	12.00	15.00
County	43,251	6.97	26.8	39,585	6.38	23.0	8.38	8.38
Poor	7,410	1.19	4.6	13,351	2.15	7.7	1.50	3.00
Total	161,459	26.03		172,440	27.80		31.88	36.38
Collier								
Township	23,982	3.98	20.7	21,049	3.46	18.7	10.00	6.00
School	54,885	9.01	47.3	53,518	8.79	47.5	26.00	15.00
County	31,527	5.18	27.2	28,426	4.67	25.2	8.38	8.38
Poor	5,516	.91	4.8	9,673	1.59	8.6	1.50	3.00
Total	115,910	19.03		112,666	18.50		45.88	32.38

TABLE I
DISTRIBUTION OF TAX LEVY AND MILLAGE

Township	1930			1932			Tax Rate In Mills	
	Total Taxes Levied	Per Capita	Percent of Total	Total Taxes Levied	Per Capita	Percent of Total	1930	1932
East Bethlehem								
Township	$ 22,035	$ 3.82	18.2 %	$ 14,359	$ 2.49	13.6 %	10.00	7.00
School	80,047	13.88	66.1	73,622	12.77	69.6	34.00	34.00
County	19,013	3.30	15.7	17,809	3.09	16.8	8.50	8.50
Poor	------	-----	----	------	-----	----	-----	-----
Total	121,095	21.00		105,790	18.35		52.50	49.50
North Versailles								
Township	36,953	6.52	20.8	30,287	5.34	17.1	10.00	8.00
School	99,643	17.58	55.9	102,337	18.05	57.8	27.00	27.00
County	35,863	6.33	20.1	34,108	6.02	19.3	8.38	8.38
Poor	5,732	1.01	3.2	10,236	1.81	5.8	1.50	3.00
Total	178,191	31.43		176,968	31.22		46.88	46.38
Springfield (Montg.Co.)								
Township	77,657	14.01	24.3	78,970	14.25	29.4	10.00	10.00
School	146,888	26.51	45.9	126,654	22.86	47.2	19.00	16.00
County	95,329	17.20	29.8	62,823	11.34	23.4	4.00	3.00
Poor	-------	-----	----	-------	-----	----	-----	-----
Total	319,874	57.73		268,447	48.45		33.00	29.00
O'Hara								
Township	35,495	6.92	22.5	41,121	8.02	21.1	6.00	6.00
School	58,342	11.38	37.1	73,881	14.41	37.9	9.50	10.50
County	54,902	10.71	34.9	60,509	11.80	31.0	8.38	8.38
Poor	8,873	1.73	5.5	19,511	3.81	10.0	1.50	3.00
Total	157,612	30.74		195,022	38.04		25.38	27.88
Spring Garden								
Township	40,106	8.58	26.8	42,118	9.01	27.8	10.50	10.00
School	63,392	13.56	42.5	69,905	14.95	46.3	16.00	16.00
County	45,962	9.38	30.7	39,150	8.37	25.9	10.00	8.00
Poor	-------	-----	----	-------	-----	----	-----	-----
Total	149,460	31.97		151,173	32.33		36.50	34.00
Springfield (Del. Co.)								
Township	76,579	16.69	31.4	79,258	17.27	31.3	12.00	12.00
School	135,483	29.52	55.7	125,028	27.25	49.2	21.00	20.00
County	25,667	5.59	10.5	33,657	7.33	13.3	3.25	4.25
Poor	5,805	1.26	2.4	15,645	3.41	6.2	.90	2.50
Total	243,534	53.07		253,588	55.26		37.15	38.75
Plymouth								
Township	28,158	6.44	24.8	28,640	6.56	23.8	7.50	7.50
School	67,216	15.38	59.3	77,411	17.72	64.3	16.00	18.50
County	17,983	4.12	15.9	14,320	3.28	11.9	4.00	3.00
Poor	------	-----	----	------	-----	----	-----	-----
Total	113,357	25.95		120,371	27.55		27.50	28.00
Jefferson								
Township	31,447	7.60	27.5	15,956	3.86	13.3	8.00	4.00
School	39,586	9.57	34.7	58,796	14.21	48.8	10.00	15.00
County	37,182	8.99	32.6	34,850	8.42	29.0	8.38	8.38
Poor	5,900	1.43	5.2	10,720	2.59	8.9	1.50	3.00
Total	114,115	27.58		120,322	29.08		27.88	34.38
Wilkins								
Township	29,328	7.11	21.4	30,323	7.35	21.1	11.00	11.00
School	80,260	19.45	58.7	83,146	20.15	57.8	30.00	30.00
County	23,221	5.63	17.0	22,815	5.53	15.9	8.38	8.38
Poor	4,007	.97	2.9	7,421	1.80	5.2	1.50	3.00
Total	136,816	33.15		143,705	34.82		50.88	52.38

TABLE I
DISTRIBUTION OF TAX LEVY AND MILLAGE

Township	1930			1932			Tax Rate In Mills	
	Total Taxes Levied	Per Capita	Percent of Total	Total Taxes Levied	Per Capita	Percent of Total	1930	1932
Upper Moreland								
Township	$ 35,269	$ 8.84	24.6 %	$ 31,912	$ 8.00	27.5 %	9.00	8.00
School	86,791	21.76	60.4	67,530	16.93	58.3	20.00	16.00
County	21,581	5.41	15.0	16,420	4.12	14.2	4.00	3.00
Poor	------	-----	----	------	-----	----	-----	-----
Total	143,641	36.01		115,862	29.05		33.00	27.00
East Deer								
Township	53,819	13.70	22.4	52,614	13.39	25.5	7.50	7.50
School	87,373	22.24	36.4	75,765	19.29	26.7	12.00	11.00
County	83,859	21.35	34.9	57,661	14.68	28.0	8.38	8.38
Poor	14,943	3.80	6.2	20,259	5.16	9.8	1.50	3.00
Total	239,994	61.10		206,299	52.52		29.38	29.88
Tinicum								
Township	47,464	13.08	26.3	48,303	13.30	27.3	10.00	10.00
School	94,870	26.13	52.6	96,267	26.52	54.3	20.00	20.00
County	15,738	4.34	8.7	21,105	5.81	11.9	3.25	4.25
Poor	4,271	1.18	2.4	11,509	3.17	6.5	.90	2.50
Total	162,343	44.73		177,184	48.81		34.15	36.75
Lower Chichester								
Township	20,745	5.97	28.5	21,402	6.16	25.0	10.00	10.00
School	42,847	12.34	58.8	49,332	14.20	57.6	20.00	22.00
County	7,463	2.15	10.2	9,954	2.87	11.6	3.25	4.25
Poor	1,868	.54	2.6	4,943	1.42	5.8	.90	2.50
Total	72,923	21.00		85,631	24.66		34.15	38.75
Lawrence Park								
Township	44,134	13.62	28.2	45,277	13.97	25.5	10.00	10.00
School	80,542	24.85	51.4	91,195	28.14	51.3	18.00	20.00
County	31,981	9.87	20.4	41,332	12.75	23.3	7.00	9.00
Poor	------	-----	----	------	-----	----	-----	-----
Total	156,657	48.34		177,804	54.86		35.00	39.00
Reserve								
Township	19,084	6.14	26.0	19,690	6.34	23.7	10.00	10.00
School	34,191	11.00	46.6	42,027	13.52	50.6	17.00	20.00
County	17,266	5.56	23.5	16,137	5.19	19.4	8.38	8.38
Poor	2,880	.93	3.9	5,171	1.66	6.2	1.50	3.00
Total	73,421	23.62		83,025	26.71		36.88	41.38
Lackawanna								
Township	12,942	4.20	22.4	11,354	3.69	23.2	15.00	14.00
School	33,618	10.93	58.3	28,812	9.36	58.9	35.00	35.00
County	7,645	2.48	13.3	5,515	1.79	11.3	7.75	6.75
Poor	3,451	1.12	6.0	3,244	1.05	6.6	4.00	4.00
Total	57,656	18.73		48,925	15.90		61.75	59.75
Annville								
Township	14,768	4.93	21.0	14,010	4.67	21.3	7.50	7.00
School	43,548	14.53	62.0	40,414	13.48	61.5	21.00	19.00
County	10,914	3.64	15.5	10,145	3.39	15.4	3.00	3.00
Poor	986	.33	1.4	1,200	.40	1.8	.50	.60
Total	70,216	23.43		65,769	21.94		32.00	29.60
Nether Providence								
Township	33,706	11.90	22.3	33,536	11.84	22.0	8.00	7.50
School	90,984	32.12	60.2	76,740	27.09	50.4	20.00	16.00
County	22,664	8.00	15.0	31,198	11.01	20.5	3.25	4.25
Poor	3,853	1.36	2.6	10,657	3.76	7.0	.90	2.50
Total	151,207	53.37		152,131	53.70		32.15	30.25

TABLE I
DISTRIBUTION OF TAX LEVY AND MILLAGE

Township	1930			1932			Tax Rate In Mills	
	Total Taxes Levied	Per Capita	Percent of Total	Total Taxes Levied	Per Capita	Percent of Total	1930	1932
Darby								
Township	$ 14,276	$ 5.15	22.5 %	$ 13,108	$ 4.73	21.2 %	10.00	10.00
School	42,926	15.48	67.7	39,326	14.18	63.7	30.00	30.00
County	4,904	1.77	7.7	6,021	2.17	9.8	3.25	4.25
Poor	1,342	.48	2.1	3,276	1.18	5.3	.90	2.50
Total	63,447	22.88		61,731	22.26		44.15	46.75
Aston								
Township	15,805	5.94	30.4	15,698	5.90	26.7	10.00	10.00
School	27,929	10.50	53.7	29,926	11.25	50.9	18.00	18.00
County	6,971	2.62	13.4	9,536	3.59	16.2	3.25	4.25
Poor	1,327	.50	2.6	3,605	1.36	6.1	.90	2.50
Total	52,032	19.57		58,765	22.10		32.15	34.75
West Norriton								
Township	30,857	11.92	34.6	26,519	10.25	30.3	10.50	8.50
School	44,229	17.09	49.6	47,840	18.49	54.6	13.00	13.00
County	14,175	5.48	15.9	13,222	5.11	15.1	4.00	3.00
Poor	------	-----	---	------	-----	----	-----	-----
Total	89,261	34.49		87,581	33.84		27.50	24.50
West Pottsgrove								
Township	12,086	5.04	33.3	12,186	5.08	30.7	10.00	10.00
School	19,170	7.99	52.7	23,396	9,75	58.9	15.00	16.00
County	5,091	2.12	14.0	4,131	1.72	10.4	4.00	3.00
Poor	------	----	----	------	----	----	-----	-----
Total	36,347	15.14		39,713	16.55		29.00	29.00
Rochester								
Township	14,708	6.18	20.9	14,130	5.94	23.0	10.00	10.00
School	37,701	15.84	53.5	32,803	13.78	53.5	23.00	23.00
County	15,096	6.34	21.4	11,588	4.87	18.9	10.00	8.00
Poor	2,958	1.24	4.2	2,826	1.19	4.6	2.00	2.00
Total	70,463	29.61		61,347	25.78		45.00	43.00
Stonycreek								
Township	17,177	9.23	25.5	15,255	8.20	24.1	10.00	10.00
School	37,899	20.38	56.2	35,200	18.92	55.6	21.00	20.00
County	12,318	6.62	18.3	12,875	6.92	20.3	6.75	8.00
Poor	------	-----	----	------	-----	----	-----	-----
Total	67,394	36.23		63,330	34.05		37.75	38.00
Patterson								
Township	14,276	7.73	25.6	14,714	7.97	28.3	16.00	16.00
School	26,484	14.35	47.6	27,526	14.91	52.9	28.00	28.00
County	13,153	7.13	23.6	7,997	4.33	15.4	10.00	8.00
Poor	1,785	.97	3.2	1,839	1.00	3.5	2.00	2.00
Total	55,698	30.17		52,076	28.21		56.00	54.00
Braddock								
Township	9,503	5.30	21.5	9,776	5.45	21.2	10.00	10.00
School	24,845	13.85	56.2	25,731	14.34	55.9	26.00	25.00
County	8,458	4.71	19.1	7,958	4.44	17.3	8.38	8.38
Poor	1,433	.80	3.2	2,599	1.45	5.6	1.50	3.00
Total	44,239	24.66		46,064	25.68		45.88	46.38
Springdale								
Township	4,197	2.68	10.9	3,211	2.05	8.6	5.00	4.00
School	26,026	16.63	67.3	25,561	16.33	68.5	31.00	31.00
County	7,186	4.59	18.6	6,421	4.10	17.2	8.38	8.38
Poor	1,265	.81	3.3	2,126	1.36	5.7	1.50	3.00
Total	38,674	24.71		37,319	23.85		45.88	46.38

TABLE I
DISTRIBUTION OF TAX LEVY AND MILLAGE

Township	1930			1932			Tax Rate In Mills	
	Total Taxes Levied	Per Capita	Percent of Total	Total Taxes Levied	Per Capita	Percent of Total	1930	1932
Neville								
Township	$ 58,978	$ 38.50	31.9 %	$ 57,142	$ 37.30	25.7 %	8.85	7.00
School	59,580	38.89	32.2	73,110	47.72	32.9	9.00	9.00
County	56,513	36.89	30.5	68,227	44.52	30.7	8.38	8.38
Poor	10,001	6.53	5.4	24,086	15.72	10.8	1.50	3.00
Total	185,072	120.80		222,565	145.27		27.73	27.38
Leet								
Township	2,435	1.90	16.5	7,241	5.69	17.3	7.00	6.50
School	7,872	6.19	53.3	22,726	17.87	54.4	22.00	20.00
County	3,843	3.02	26.0	8,803	6.92	21.1	8.38	8.38
Poor	609	.48	4.1	2,980	2.34	7.1	1.50	3.00
Total	14,759	11.60		41,750	32.82		38.88	37.88
Crescent								
Township	6,370	5.75	20.4	6,452	5.83	20.8	8.50	8.50
School	17,078	15.43	54.7	16,293	14.72	52.5	22.00	20.00
County	6,646	6.00	21.3	6,306	5.70	20.3	8.38	8.38
Poor	1,125	1.01	3.6	1,997	1.80	6.4	1.50	3.00
Total	31,219	28.20		31,048	25.05		40.38	39.88
White								
Township	4,969	4.82	24.6	5,008	4.26	23.5	15.00	15.00
School	11,081	9.75	54.9	12,894	12.51	60.6	29.00	35.00
County	3,452	3.35	17.1	2,722	2.64	12.8	10.00	8.00
Poor	675	.65	3.4	669	.65	3.1	2.00	2.00
Total	20,177	19.57		21,293	20.65		56.00	60.00
West Lebanon								
Township	6,037	6.55	43.2	5,535	6.01	44.9	11.50	11.50
School	5,917	6.42	42.3	5,879	6.38	47.7	11.00	11.00
County	1,764	1.92	12.6	627	.68	5.1	3.00	3.00
Poor	263	.29	1.9	291	.32	2.4	.50	.60
Total	13,981	15.18		12,332	13.39		26.00	26.10
Borough								
Township	5,990	6.77	23.0	6,004	6.78	23.7	10.00	10.00
School	12,602	14.24	48.4	12,878	14.55	50.8	20.00	20.00
County	6,275	7.09	24.1	5,225	5.90	20.6	10.00	8.00
Poor	1,198	1.35	4.6	1,223	1.38	4.8	2.00	2.00
Total	26,065	29.45		25,330	28.62		42.00	40.00
South Versailles								
Township	737	2.19	16.5	674	2.00	16.3	6.00	6.00
School	2,474	7.36	55.4	2,308	6.87	55.9	20.00	20.00
County	1,075	3.20	24.1	874	2.60	21.2	8.38	8.38
Poor	182	.54	4.1	271	.81	6.6	1.50	3.00
Total	4,468	13.30		4,127	12.28		35.88	37.38

the per capita tax levy and the urban or rural character of the township. The predominantly urban townships all have high per capita levies while the rural ones invariably have low per capita tax rates. In the intermediate group a clear tendency can be observed for the per capita levy to increase in proportion to the urban nature of the unit. This reflects the diversity in conditions in these first class townships and reflects the demand of urban communities for a more complex and expensive form of government. Examples of this are as follows: (a) Strictly urban townships - Upper Darby ($16.31), Lower Merion ($22.25), Haverford ($16.75), Abington ($16.01), Cheltenham ($24.39), Mt. Lebanon ($19.49), Radnor ($17.59), Lawrence Park ($13.97), Neville ($37.30). (b) Predominantly urban - Harrison ($7.91), Shaler ($10.00), Ridley ($11.06), Spring Garden ($9.01), East Deer ($13.39). (c) Predominantly rural - Plymouth ($6.56), West Pottsgrove ($5.08), Mifflin ($6.48). (d) Strictly rural - Ross ($3.71), Elizabeth ($3.46), Swatara ($2.29), Collier ($3.46), Jefferson ($3.86), Springdale ($2.05), Crescent ($5.83).

Collection of Taxes - The first class township code charges the township treasurer with the responsibility for collecting township, school, county and poor taxes in addition to his duty of receiving and paying out all township moneys. The code further requires him to make regular deposits of money received and to present a monthly report to the township secretary showing the sources and amounts of money received during the month. The commissioners name the depository, which in turn must furnish a surety bond. This has recently become impossible because of the failure of surety companies. Instead the depositories (banks and trust companies) have deposited collateral as surety. The code should be amended to legalize this practice. It should also require depositories to furnish the township with an itemized monthly statement. As a guarantee of the faithful discharge of his duties the treasurer is compelled to give bond in an amount "equal to fifty percentum of the probable amount of the annual township tax."

The treasurer's compensation for the collection of township taxes is "a sum equal to five percentum of all township taxes received or collected by him, and, in addition thereto, a sum equal to one per centum on all other moneys received or collected by him for the township, unless a different rate or annual compensation shall be fixed by ordinance . . . . finally adopted thirty days prior to his election." In no event shall his total compensation exceed ten thousand dollars annually. For collecting other local taxes the treasurer's compensation is fixed by the taxing authorities.

The treasurer is the highest paid of all the local officials, as is shown in the table on functional costs in the following chapter. Many townships have taken steps to reduce his compensation either by placing him on a smaller fee basis or upon a straight salary. Some have also reduced or abolished the treasurer's fee of one per cent on all "other moneys." Where the compensation has been reduced by either of these two methods the township generally assumes the cost of the treasurer's bond and the expenses incidental to his office.

The code does not provide the treasurer with a fee upon the amount of moneys paid out by him. Despite this fact the treasurer of West Lebanon township received a five per cent fee on the amount of State tax on indebtedness which this township was compelled to pay. Presumably this mistake arose from a misapprehension as to the nature of this tax which was looked upon as a receipt rather than as an expenditure.

In a previous chapter the strong grounds for placing all local tax collections in the office of the county treasurer have been set forth. If this is not done and the present system is retained it would seem advisable to place the office on a salary basis. Maximum and minimum salaries should be stipulated according to township population or, preferably, according to assessed valuation.

Tax Collection Procedure - The county commissioners prepare the county duplicate and deliver it to the local authorities. The code provides that "As soon as possible after the receipt of the duplicate from the county commissioners, the board of township commissioners shall deliver a duplicate of the assessment of township taxes to the township treasurer, together with their warrant for the collection of the same." Upon the delivery of the township duplicate to the treasurer the latter is to give public notice of its receipt by posting printed notices and by publication in a local newspaper. Within

"thirty days after receiving the tax duplicate, (he) shall notify every taxable whose name appears on such duplicate. Such notice shall contain the rate of taxation, the occupation of such taxable, and the full amount of taxes for which said taxable is liable for the current year."

The taxpayer is given a period of sixty days from the date of such notification to pay his taxes, after which he is charged a penalty of two per cent of the amount of the tax, and thereafter an additional penalty of one per cent for each month or fractional part thereof during the remainder of the fiscal year. Any tax remaining unpaid at the end of the fiscal year in which it was levied carries a penalty of six per cent per annum until paid.

We next encounter an inexcusable defect in the law, which has caused loose, slipshod financial management and waste in many first class townships. The code makes no statement as to when the county commissioners are to furnish local officials with the county duplicate. Consequently they often fail to furnish the duplicate until several months after the beginning of the fiscal year. In numerous instances this was not done until May or June, some five or six months after the beginning of the townships' fiscal year. Allowing a reasonable time for the transcription of the duplicate and the mailing of notices by the treasurer, the date for the imposition of the penalty upon late tax payments will be postponed until the latter part of August or early in September. Since most people defer payment until shortly before the penalty period this means that well over half the fiscal year will have passed before any considerable portion of the current tax duplicate is collected. The commissioners will have been operating for the first half of the fiscal year either upon the basis of the collections of the prior year or by means of temporary loans in anticipation of taxes or by the accumulation of bills payable. That this negligent and wasteful method is entirely unnecessary is shown by a contrast with the school code in which sections 501, et seq., provide a procedure that should be prescribed in the township code.

The first class township code should be amended, as suggested in the chapter on budgeting, to establish a close relation between the fiscal year and the tax collection period. This might be done by changing the fiscal year to commence in June or July, instead of January the first or shortly thereafter as at present, or by requiring the assessing authorities, by statute, to deliver the duplicate within thirty days of the beginning of the present fiscal year. This latter provision would still permit a spread of three months or more between the beginning of the year and the period of tax collection and therefore would not offer a complete solution to the problem. Furthermore, it is desirable to have the duplicate placed in the hands of the tax collector by the beginning of the fiscal year rather than thereafter. Consequently, unless the county authorities can be made to change the period during which assessments are made, the only acceptable solution would seem to be that of changing the first class township fiscal year.

Due to growing tax delinquencies the State legislature has authorized all local taxing districts to provide by ordinance or resolution for the payment of taxes by installments. A township adopting the installment plan may fix the number and period of such installments. If a taxpayer elects to pay by this method a five per cent penalty on each overdue installment is required. Furthermore, if one-half or more of the total number of installments become delinquent an additional penalty of three per cent is added to each delinquent installment. Of the twenty townships where data was obtained on this matter, only three, Leet, Shaler, and Baldwin, took advantage of the above act. Several townships also permit the taxpayer to work out his taxes in road labor.

Tax Exonerations. Section 1718 of the code provides that:

"The township commissioners shall at all times make abatements or exonerations for occupation taxes, mistakes, indigent persons, unseated lands, deaths, removals, et cetera, as to them shall appear just and reasonable. The township secretary shall enter in a book, or books, to be kept for that purpose, the names of all persons abated or exonerated, together with the reason why, the amount of the tax, and the date when levied, and give to the treasurer a certificate stating the nature of the tax and the amount exonerated." †

† Exoneration is also used elsewhere to describe the action of the commissioners in exonerating the tax collector (not the taxpayer) from the collection of taxes turned over to the county treasurer after such taxes have become delinquent.

The general practice in exonerations is for the treasurer to submit a list of individuals to the commissioners for their action. Usually the commissioners appear to ratify this list with little or no investigation. When one commissioner was queried as to the adequacy of this procedure he replied that the power of exoneration was abused and that the commissioners placed too much discretion in the treasurer. However, he also stated that no commissioner was familiar enough with the list of taxables to pass an intelligent judgment on the question of exonerations without an investigation which they did not have time to make. Consequently he was able to suggest no method of improving the present practice.

Several secretaries indicated that some improvement might be made if the treasurer were to give each commissioner a list of the persons submitted for exoneration, living in the commissioner's ward or district. If such list were given to the commissioner in sufficient time to make a few investigations he would be able to pass intelligently upon most of the proposed exonerations. As the matter now stands the treasurer submits his list, the commissioners give it a brief glance and then proceed to ratify the list on the same evening it is submitted.

The code specifies that the secretary shall maintain a book or books in which a list of such exonerations shall be maintained. This stipulation is generally ignored since in most cases no such list is maintained by the secretary and where maintained does not generally specify the reasons for the exoneration in sufficient detail. The failure to keep such a list is especially to be deplored since it is the only means of publicity in regard to tax exonerations. The school code provides for publicity by permitting the directors to publish a list of such exonerations in a newspaper of general circulation in the local community. In the township provision of some form of publicity combined with a more careful scrutiny of proposed exonerations by the commissioners would go far toward the elimination of the abuses which the facts indicate are inherent in the exoneration procedure.

Tax Delinquency - In Table II on tax delinquency in first class townships, the figures on taxes levied, amount of delinquency and collections from prior years' levies were obtained from the Bureau of Statistics, Department of Internal Affairs. The other portions of the table were computed. This table shows the extent of delinquency by percentage and by amount for the years 1930 and 1932, the trend toward greater delinquency in the two year period, and the degree to which current delinquency was offset by current collections from previous years' levies. The percentage of township tax delinquency in 1932 was either double or more than double the 1930 percentage of delinquency in nineteen of the sixty-one townships. In five townships where this was not true, the amount of delinquency in 1932 was more than fifty percent of the township tax levy. In only seven of the townships was the percentage of delinquency for 1932 less than that of 1930. Finally, the table shows that in less than one-fourth of the townships (15) was the 1932 tax delinquency less than twenty percent of the township tax levy.

That the township officials were not suddenly confronted by this problem is indicated by the growth of delinquency in the following sixteen townships:

	Per Cent of Current Taxes Remaining Unpaid at the End of Each Year.			
Township	1930	1931	1932	1933
Upper Darby	23.6	29.4	37.5	38.5
Haverford	1.3	19.6	22.1	26.2
Radnor	4.8	----	12.0	13.5
Ridley	39.7	29.6	39.5	42.95
Swatara	16.1	11.7	20.2	22.7
East Bethlehem	15.7	18.7	27.8	35.9
Spring Garden	6.8	10.8	11.5	16.01
Springfield (Del.Co.)	18.8	23.0	32.6	36.4
Tinicum	27.0	7.7	22.7	3.1
Lower Chichester	----	23.4	40.0	33.4
Annville	9.3	10.6	13.6	13.91
Nether Providence	8.1	11.7	17.7	20.4
Darby	41.2	52.8	64.0	64.1
Aston	17.6	----	42.1	100.0
Stony Creek	22.0	21.4	32.8	32.8
West Lebanon	16.0	17.7	27.5	30.0

TABLE II
TAX DELINQUENCY

TOWNSHIP	Total Township Taxes Levied		Amount Delinquent at End of Year		Per Cent Delinquent at End of Year		Taxes Collected in Current Year, from Previous Years' Levies		Amount by Which Current Delinquency Exceeds Taxes Collected from Previous Years	
	1930	1932	1930	1932	1930	1932	1930	1932	1930	1932
Upper Darby	$ 704,193	$ 760,389	$ 166,443	$ 285,187	23.6%	37.5%	$ 112,160	$ 307,329	$ 54,283	$-22,142
Lower Merion	974,829	782,424	117,279	156,371	12.0	20.0	80,596	41,308	36,683	115,063
Haverford	328,617	357,739	41,331	79,440	1.3	22.1	11,682	47,740	29,649	31,700
Coal	114,013	141,921	31,281	24,001	27.4	16.1	-------	-------	31,281	24,001
Abington	309,023	298,476	41,017	71,812	13.3	24.1	83,712	24,786	- 42,695	47,026
Hanover	665,274	272,160	80,667	10,357	12.1	3.8	-------	-------	80,667	10,357
Plains	113,336	92,620	2,205	18,313	1.9	20.0	-------	2,799	2,205	15,514
Cheltenham	375,135	383,635	43,522	67,403	11.6	17.5	25,910	13,241	17,612	54,162
Mt. Lebanon	267,990	261,278	41,606	89,836	17.2	34.4	18,913	34,748	22,693	55,088
Stowe	144,395	141,170	21,886	45,531	15.4	32.2	7,381	10,371	14,505	35,160
Penn	114,363	103,788	23,040	35,506	20.2	34.1	16,273	14,065	6,767	21,441
Harrison	94,391	97,924	11,446	20,298	12.1	20.4	9,244	9,160	2,202	11,138
Radnor	195,110	215,736	9,364	25,983	4.8	12.0	715	11,104	8,649	14,879
Newport	237,085	176,844	71,126	4,571	30.0	2.6	-------	-------	71,126	4,571
Whitehall	84,449	62,965	9,677	15,210	11.5	24.1	5,389	3,555	4,288	11,655
Shaler	90,304	95,720	14,715	27,989	16.3	29.2	6,506	8,344	8,209	19,645
South Fayette	29,935	23,688	5,212	6,055	17.4	25.6	1,283	2,164	3,929	3,891
Butler	85,685	76,794	11,516	18,046	13.4	23.5	3,979	6,880	7,573	11,166
Ross	37,368	31,845	7,805	8,679	20.9	27.3	2,879	2,689	4,926	5,990
Ridley	85,223	92,064	33,783	36,304	39.7	39.5	5,817	16,845	27,966	19,459
Mifflin	59,061	52,920	18,313	29,816	31.0	56.4	10,982	3,375	7,331	26,441
Elizabeth	33,351	25,846	5,285	7,195	15.8	27.8	3,992	2,013	1,293	5,182
Wilkes-Barre	78,053	713,197	1,132	4,288	1.5	.5	-------	-------	1,132	4,288
Baldwin	55,013	51,194	12,299	18,407	22.1	35.9	5,854	4,731	6,445	13,676
Swatara	21,635	14,512	3,490	2,929	16.1	20.2	-------	-------	3,490	2,929
Scott	49,352	47,300	10,840	15,157	21.9	32.1	6,460	3,924	4,380	11,233
Collier	23,982	21,049	6,362	6,348	26.5	30.2	1,221	1,104	5,141	5,244
East Bethlehem	22,035	14,359	3,451	3,991	15.7	27.8	1,479	1,449	1,972	2,542
North Versailles	36,953	30,287	15,542	16,506	42.0	54.5	7,087	3,415	8,455	13,091
Springfield (a)	77,657	78,970	-------	9,699	----	12.3	3,424	4,925	- 3,424	4,774
O'Hara	35,495	41,121	2,784	7,643	7.8	18.6	1,611	1,805	1,173	5,838
Spring Garden	40,106	42,118	2,785	4,832	6.8	11.5	1,971	3,159	814	1,673
Springfield (b)	76,579	79,258	14,226	25,916	18.8	32.6	7,426	7,296	6,800	18,620
Plymouth	28,158	28,640	6,506	9,706	23.1	33.8	8,915	2,117	- 2,409	7,589
Jefferson	31,447	15,956	4,536	4,342	14.4	27.2	1,749	4,207	2,787	135
Wilkins	29,328	30,323	6,969	15,568	23.8	51.3	4,716	3,267	2,253	12,301
Upper Moreland	35,269	31,912	3,964	9,763	11.2	30.6	5,775	5,218	- 1,811	4,545

TABLE II

TAX DELINQUENCY

TOWNSHIP	Total Township Taxes Levied		Amount Delinquent at End of Year		Per Cent Delinquent at End of Year		Taxes Collected in Current Year, from Previous Years' Levies		Amount by Which Current Delinquency Exceeds Taxes Collected from Previous Years	
	1930	1932	1930	1932	1930	1932	1930	1932	1930	1932
East Deer	$ 53,819	$ 52,614	$ 1,897	$ 5,975	3.5%	11.4%	$ 2,049	$ 341	$ - 152	$ 5,634
Tinicum	47,464	48,303	12,866	10,988	27.0	22.7	833	843	12,033	10,145
Lower Chichester	20,745	21,402	------	8,554	----	40.0	-----	3,586	------	4,968
Lawrence Park	44,134	45,277	2,879	2,501	6.5	5.5	299	715	2,580	1,786
Reserve	19,084	19,690	3,955	6,683	20.8	33.9	2,256	1,708	1,699	4,975
Lackawanna	12,942	11,354	4,996	5,486	38.6	48.3	5,010	1,764	- 14	3,722
Annville	14,768	14,010	1,371	1,904	9.3	13.6	1,268	1,067	103	837
Nether Providence	33,706	33,536	2,717	5,924	8.1	17.7	845	------	1,872	5,924
Darby	14,276	13,108	5,881	8,410	41.2	64.0	1,517	1,475	4,364	6,935
Ashton	15,805	15,698	2,780	6,618	17.6	42.1	610	1,372	2,170	5,246
West Norriton	30,857	26,519	1,753	4,599	5.7	17.7	2,756	1,998	- 1,003	2,601
West Pottsgrove	12,086	12,186	849	2,744	7.0	22.5	866	748	- 17	1,996
Rochester	14,708	14,130	4,780	7,438	32.4	57.8	1,483	89	3,297	7,349
Stonycreek	17,177	15,255	3,777	5,003	22.0	32.8	2,346	1,673	1,431	3,330
Patterson	14,276	14,714	3,800	7,919	26.6	53.7	2,133	1,439	1,667	6,480
Braddock	9,503	9,776	2,977	6,359	31.3	65.0	937	418	2,040	5,941
Springdale	4,197	3,211	888	691	21.2	21.5	709	567	179	124
Neville	58,978	57,142	2,461	2,064	4.2	3.6	786	773	1,675	1,291
Leet	2,435	7,241	823	1,798	36.9	25.2	352	209	471	1,589
Crescent	6,370	6,452	1,402	2,489	22.0	38.6	735	815	667	1,674
White	4,969	5,008	1,628	2,690	32.8	53.8	689	732	939	1,958
West Lebanon	6,037	5,535	968	1,520	16.0	27.5	1,068	539	- 100	981
Borough	5,990	6,004	719	1,900	12.0	31.6	964	262	- 245	1,638
South Versailles	737	674	254	524	34.5	76.6	386	146	- 132	378

(a) Montgomery Co.
(b) Delaware Co.

Since none of the townships with exceptionally high delinquencies have been included in this group, the trend toward greater delinquency may be taken as typical. The total amount of taxes unpaid at the end of the year on the 1930 tax levies of the sixty-one townships comprised over 15% of the total levies; in 1931 the amount delinquent comprised over 19% of the total levies; and in 1933 slightly over 23%. In the face of this alarming growth it is surprising to note the general failure to make adjustment in budget appropriations as found in Table I of the budget chapter.

The extent to which delinquency on the current levy has been offset by collection of taxes of previous years is shown in column four. This column shows conclusively that with the exception of one township (Upper Darby) the collections from unpaid taxes of prior years do not even approach the amount of delinquency on the current tax duplicate. This means that each year the total amount of outstanding or unpaid taxes increases. In the townships with high delinquency rates the total amount of such outstanding taxes approximates the current levy. Finally, it may be noted that in only four townships, Coal, Hanover, Reserve, and Tinicum, did the excess of current delinquency over collections on the unpaid taxes of prior years decrease in 1932 as compared with 1930.

In summary then the table clearly shows: a growing amount of delinquency in the collection of township and other local taxes; an increasing excess of current delinquency over collections on unpaid taxes of prior years; and a gradual increase in the net amount of outstanding unpaid taxes.

The data for Table III were taken from the official audit statements, from the records of the Pennsylvania Economic Council, and from materials collected in the field. An examination of this table summarizing the receipts of fifty townships, reveals the relative importance of their sources of revenue. Approximately 68% of all receipts in first-class townships are derived from taxes and 32% from all other sources. Temporary loans appear as the next greatest source of revenue, receipts from such loans accounting for nearly 11½% of the total. It must be remembered, however, that money received from temporary loans, as recorded in official reports, is often greater than the actual receipts for the year. Consequently, the money received from the sale of bonds would in reality constitute the second largest item in the total receipts. Departmental earnings (3.83%), licenses and fines (3.07%), and special assessments (2.79%) respectively constitute the next most productive sources of revenue.

Table IV, summarizing receipts of fifty townships for 1933 by population groups, shows that with a few minor exceptions the proportionate amount received from the various revenue sources is about the same for each group. Thus, the percentage accounted for by tax collections in the first group (68.0%), second group (62.1%), third group (69.0%), and the last group (70.0%) shows little variation. The low proportion occurring in the second group is entirely accounted for by the fact that Springfield township (Montg.Co.) received over eighty thousand dollars in 1933 from the proceeds of bond sales. Likewise, the large percentage of money derived from special assessments in the second group as contrasted with the other three is accounted for by the fact that growing urban townships such as Shaler and Baldwin tend to place the burden of permanent improvements upon abutting property owners. Consequently, these special assessments bulk larger in this group where the presence of rural townships such as South Fayette, Elizabeth Collier, and Swatara, which provide few governmental services other than highway maintenance, makes for a much smaller total of receipts and expenditures.

A distinct correlation may be observed between the urban character of the townships and the per capita tax burden. The first group which contains the largest number of the more urbanized communities has a per capita tax of over twelve ($12.80) dollars while the remaining groups show a decreasing per capita burden. The unusually low per capita burden ($4.34) in the second group is accounted for by the presence of a large number of rural or predominantly rural townships. The same correlation exists as to per capita non-revenue receipts. The larger urban communities have been generally unwilling to sacrifice or curtail governmental services and consequently as tax collections have decreased they have endeavoured to meet the difference by temporary and long term borrowing. The rural townships have not been faced with the problem of such curtailment of services and consequently they have had less occasion for short or long term borrowing. The borrowing in groups two, three, and four is almost entirely restricted to the urban communities within these groups, as may be seen by reference to Table III which analyzes the receipts of the fifty townships individually.

TABLE III

SUMMARY OF RECEIPTS - 1933

FOR 50 TOWNSHIPS, TOTAL POPULATION 378,702

	RECEIPTS	Amount	Per Capita	Percent of Total Receipts
REVENUE	Taxes	$ 3,753,915	$ 9.91	67.58 %
	Special Assessments	155,202	.41	2.79
	Licenses and Fines	170,674	.45	3.07
	Departmental Earnings	212,718	.56	3.83
	Interest	19,406	.05	.35
	Water Rents	48,460	.13	.87
	Gifts and Grants	32,434	.09	.58
	Miscellaneous	9,352	.02	.17
	Total Revenue Receipts	4,402,161	11.62	79.25
NON-REVENUE	Sale of Bonds	480,449	1.27	8.65
	Temporary Loans	632,312	1.67	11.38
	Sales	1,381	.003	.02
	Refunds & Joint Construc.	13,778	.04	.25
	Miscellaneous	24,976	.07	.45
	Total Non-Rev. Receipts	1,152,896	3.05	20.75
	GRAND TOTAL RECEIPTS	$ 5,555,057	$14.67	100.00 %

TABLE IV

SUMMARY OF RECEIPTS - 1933

FOR 50 TOWNSHIPS, BY POPULATION GROUPS

12 Townships, Population over 10,000

	RECEIPTS	Amount	Per Capita	Percent of Total Receipts
REVENUE	Taxes	$ 2,932,732	$12.80	68.0 %
	Special Assessments	99,439	.43	2.3
	Licenses and Fines	117,119	.51	2.7
	Departmental Earnings	188,922	.82	4.4
	Interest	13,501	.06	.3
	Water Rents	-------	----	----
	Gifts and Grants	28,999	.13	.7
	Miscellaneous	3,044	.01	.1
	Total Revenue Receipts	$ 3,383,756	14.76	78.5
NON-REV.	Sale of Bonds	381,500	1.66	8.9
	Temporary Loans	532,653	2.32	12.4
	Sales	269	.00	.006
	Refunds & Joint Construction	10,966	.06	.3
	Miscellaneous	1,475	.01	.03
	Total Non-Rev. Receipts	926,863	4.04	21.5
	TOTAL RECEIPTS	$ 4,310,619	$18.81	100.0 %

12 Townships, Population 5,000 to 10,000

	RECEIPTS	Amount	Per Capita	Percent of Total Receipts
REVENUE	Taxes	$ 353,595	$ 4.34	62.1 %
	Special Assessments	45,628	.56	8.0
	Licenses and Fines	26,271	.32	4.6
	Departmental Earnings	1,239	.01	.2
	Interest	1,337	.02	.2
	Water Rents	14,775	.18	2.6
	Gifts and Grants	1,441	.02	.3
	Miscellaneous	3,433	.04	.6
	Total Revenue Receipts	447,719	5.50	78.5
NON-REV.	Sale of Bonds	87,377	1.07	15.3
	Temporary Loans	33,245	.41	5.8
	Sales	489	.006	.09
	Refunds & Joint Construction	1,474	.02	.3
	Miscellaneous	------	-----	-----
	Total Non-Rev. Receipts	122,585	1.50	21.5
	TOTAL RECEIPTS	$ 570,304	$ 7.00	100.0 %

TABLE IV

SUMMARY OF RECEIPTS - 1933

FOR 50 TOWNSHIPS, BY POPULATION GROUPS

11 Townships, Population 3,000 to 5,000

	RECEIPTS	Amount	Per Capita	Percent of Total Receipts
REVENUE	Taxes	$ 311,957	$ 7.39	69.0 %
	Special Assessments	10,002	.24	2.2
	Licenses and Fines	21,994	.52	4.9
	Departmental Earnings	19,926	.47	4.4
	Interest	1,393	.03	.3
	Water Rents	18,881	.45	4.2
	Gifts and Grants	260	.006	.1
	Miscellaneous	2,467	.06	.5
	Total Revenue Receipts	386,880	9.16	85.6
NON-REV.	Sale of Bonds	-------	----	----
	Temporary Loans	47,702	1.13	10.6
	Sales	20	.0004	.004
	Refunds & Joint Construction	262	.006	.1
	Miscellaneous	17,201	.41	3.8
	Total Non-Rev. Receipts	65,185	1.54	14.4
	TOTAL RECEIPTS	$ 452,065	$10.71	100.0 %

15 Townships, Population under 3,000

	RECEIPTS	Amount	Per Capita	Percent of Total Receipts
REVENUE	Taxes	$ 155,631	$ 6.02	70.0 %
	Special Assessments	133	.005	.1
	Licenses and Fines	5,290	.20	2.4
	Departmental Earnings	2,631	.10	1.2
	Interest	3,175	.12	1.4
	Water Rents	14,804	.57	6.7
	Gifts and Grants	1,734	.07	.8
	Miscellaneous	408	.02	.2
	Total Revenue Receipts	183,806	7.11	82.8
NON-REV.	Sale of Bonds	11,572	.45	5.2
	Temporary Loans	18,712	.72	8.4
	Sales	603	.02	.3
	Refunds & Joint Construction	1,076	.04	.5
	Miscellaneous	6,300	.24	2.8
	Total Non-Rev. Receipts	38,263	1.48	17.2
	TOTAL RECEIPTS	$ 222,069	$ 8.59	100.0 %

CONCLUSIONS

(1) FINDING: The present statutory provisions fail to limit the total township tax levy although such limitations are imposed in the case of a number of the individual taxes that may be levied at the discretion of the commissioners.
RECOMMENDATION: A maximum millage should be prescribed which would limit the total tax rate.

(2) FINDING: There is an extreme variation in the total township tax levy among these townships.

(3) FINDING: The present practice of tax exoneration is accompanied by abuses which may be remedied, in part, by some form of publicity requirement.

(4) FINDING: There is a definite and accentuated trend toward greater tax delinquency and an increase in the total amount of outstanding taxes.

(5) FINDING: Tax collections comprise more than two-thirds of the total receipts of the first-class townships.

(6) FINDING: There is a distinct correlation between the per capita tax burden and the urban character of the township, the more urban townships having a greater per capita burden than the more rural ones.

CHAPTER VIII

FUNCTIONAL COSTS

The cost of township government has been tabulated by functions and by offices for 50 of the 61 first class townships. The data were obtained mainly from audit statements and state reports and, as to 25 townships, such material was supplemented by interviews with local officials. In some cases the defective nature of the local accounts, statements, and reports barred the possibility of absolute accuracy except where access was had to vouchers or ledger accounts. Where such access was not possible the reliability of the data is largely dependent upon the accuracy of the audit and state reports, though in many cases further checking through detailed statements on file at the court house or the records of an active taxpayers' association was possible.

Expenditures of Individual Townships - Table I shows the functional costs of these 50 townships in 1933 and, for comparison, the expenditures of 25 of the same townships in 1930. Data for 1933 were obtained in part by field visits and in part from annual audit statements, state reports, and the records of the Pennsylvania Economic Council. All of the 1930 data were obtained from the Pennsylvania Economic Council.

Most of the column headings are self-explanatory. "Miscellaneous governmental expenditures" include donations for Memorial Day services, care of cemeteries, premiums on officers' bonds, compensation insurance, etc. Under "non-governmental expenditures" are listed those expenses which are not operating costs, including permanent improvements, bond retirements and sinking fund payments, and such miscellaneous items as refunds, damage claims, etc. Permanent improvements are properly governmental costs but are not included under that heading because they are not regularly recurring charges.

Relative Cost of Township Functions - Table II shows the relative cost of the various governmental services. Highway maintenance (including sewer maintenance) and police protection are the two most expensive functions of the first class townships. The relatively low proportion of expenditures for highway maintenance and the comparatively high costs of police and fire protection are in sharp contrast with the like governmental costs in second class townships. Highway maintenance consumes well over 50 per cent of of all the expenditures of the chiefly rural second class townships. In the first class townships total highway expenditures, including salaries, maintenance costs, street lighting, and engineering, are only approximately 19 per cent of the total, although highway maintenance is the most costly single function. The second largest expenditure (18 per cent) is for protection of life and property. General government accounts for 8 per cent of the total; health and sanitation, 4½ per cent; recreation, 1 per cent; and water supply, approximately 1 per cent.

Non-governmental expenditures amount to 36.44 per cent of township expenditures. Repayment of debts is the largest item under this classification, taking 26.61 per cent of the total. Total debt service, including interest payments, take more than 38 per cent of all township expenditures. Thus when all the objects of township expenditures are ranked together according to their cost they are as follows: debt service, 38 per cent; highways, 19 per cent; protection of life and property; 18 per cent; permanent improvements, 8.5 per cent; general government, 8 per cent; health and sanitation, 4.5 per cent; recreation, 1 per cent; and water system, .8 per cent. Other miscellaneous expenditures account for slightly more than 2 per cent of total expenditures.

Mandatory Township Expenditures - It is significant that mandatory expenditures account for only a relatively small proportion of the total governmental costs of townships of the first class. Even if the broadest definition of the term "mandatory" is adopted, such expenditures would include only the following items: the salaries and expense of the commissioners, secretaries, auditors, and treasurer; board of health (but not the costs of rubbish collection), highway salaries and maintenance, bond maturity and sinking fund payments, and interest on funded debt. The repayment of temporary loans and the interest charges on such loans are not properly classified as mandatory items since such costs are voluntarily contracted by the board. However, since no distinction has been made as to interest charges for temporary loans and for funded indebtedness, the entire interest item will be included even though only a portion of it may be considered of a mandatory nature. If all these items are added they will constitute only forty-five per-

TABLE I.
FUNCTIONAL COSTS

TOWNSHIP	1	2	3	4	5	6	7
	GOVERNMENTAL EXPENDITURES						
	GENERAL GOVERNMENT						
	Commissioner's Salaries	Secretary's Salaries	Secretary's Expense	Auditor's Salary & Exp.	Treasurer's Salary & Exp.	Solicitor's Salary & Exp.	Public Property
Population of 10,000 and Over							
1933 Upper Darby	1500	17066	5164		14149	5084	14401
1930	1500	7959	2166	1952	16107	6736	18612
1933 Lower Merion	3900	15396	4299	1970	5534	6084	13197
1930	1245	12885	5734	264	5998	3747	19945
1933 Coal	2600	2340	1118	1145	7279	4330	92
1933 Abington	2400	7141	1718	1982	7213	3441	9549
1930	1380	5629	1260	1053	6242	5122	5098
1933 Hanover	987	1882	111	1015	11083	2393	360
1933 Cheltenham	1200	9641	1387	100	7250	2250	3684
1930	1200	7955	1035	-	8991	2464	3382
1933 Mt.Lebanon	1000	11904 ⑦	2228 ⑧	465	5456	4277	5201
1933 Stowe	5185	-	5146	-	2959	-	-
1933 Penn	2200	1200	705	125	2173	1000	-
1933 Harrison	783	1650	237	909	2335	896	1426
1933 Newport	900	1710	1039	1741	8049	2293	1056
1930	600	1440	2341	951	7468	100	36
1933 Whitehall	1000	960	500	270	2098	500	1158
1930	500	960	-	-	2297	600	400
Population 5,000 to 10,000							
1933 Shaler	1400	2161	558	461	4323	600	614
1930	692	1659	1546	206	4808	4100	924
1933 South Fayette	1200	500	79	114	606	486	55
1933 Mifflin	1600	600	223	225	2177	4000	1762
1930	1500	1200	857	525	3841	2310	100
1933 Elizabeth	1800	360	301	101	843	300	404
1930	879	360	373	123	1705	300	839
1933 Baldwin	1600	918	-	213	1769	1220	517
1930	775	1020	-	-	2733	1500	1163
1933 Swatara	783	150	229	15	437	100	-

	1	2	3	4	5	6	7
1930	500	150	335	-	874	100	-
1933 Scott	1350	760	604	109	3202	950	936
1933 Collier	900	200	433	178	770	518	24
1933 East Bethlehem	1000	295	310	-	553	250	69
1933 North Versailles	1400	512	147	311	1142	248	405
1933 Springfield (Montgomery County)	1000	1800	215	-	3105	500	1103
1930	500	900	820	-	2981	500	2162
1933 O'Hara	1000	660	184	31	1701	728	60
Population 3,000 to 5,000							
1933 Spring Garden	1000	350	120	80	725	500	50
1933 Springfield (Delaware County)	500	2776	409	63	2833	735	241
1930	500	3004	193	146	3441	800	254
1933 Plymouth	500	400	-	-	999	100	-
1930	500	400	-	-	1600	50	-
1933 Jefferson	892	250	213	81	548	704	269
1933 Upper Moreland	500	2475	892	-	1634	750	614
1930	500	1150	512	-	1432	-	17
1933 East Deer	692	600	136	233	2617	478	3532
1930	681	750	784	137	3966	1608	3631
1933 Tinicum	500	500	3397*	90	239	1237	24
1930	500	500	1743	75	2446	350	-
1933 Lower Chichester	900	17	155	108	1024	295	-
1933 Lawrence Park	500	250	76	91	1500	206	-
1930	653	215	688	101	1659	453	111
1933 Reserve	450	270	245	111	889	366	989
1933 Lackawanna	500	125	27	-	327	350	-
Population Under 3,000							
1933 Annville	500	120	144	15	270	100	72
1933 Nether Providence	500	592	65	-	1157	225	-
1933 Darby	500	200	46	45	466	305	192
1933 West Norriton	500	420	697	30	880	100	843
1930	500	420	473	30	1593	128	300
1933 Rochester	500	325	-	-	360	233	71
1930	163	339	44	-	672	-	-
1933 Patterson	613	125	152	-	388	225	331
1930	500	150	98	-	1185	150	-
1933 Braddock	500	150	293	105	366	202	117
1933 Springdale	525	100	75	35	127	103	251
1930	260	60	-	-	220	125	175
1933 Neville	492	500	480	375	2351	787	5973

	1	2	3	4	5	6	7
1933 Leet	-	140	43	10	300	121	-
1933 Crescent	500	200	33	16	256	200	46
1933 White	500	100	2	-	211	50	-
1930	144	40	21	30	234	50	-
1933 West Lebanon	500	100	25	125	299	80	-
1930	500	100	-	125	-	80	-
1933 Borough	500	100	33	53	222	200	-
1930	500	100	-	60	324	200	49
1933 South Versailles	48	22	-	-	31	-	-
Total 1933 Expenditures for 50 Townships	52300	91013	34693	13146	117225	51100	69688
Total 1933 Expenditures for 25 Townships	25913	66174	21527	7798	69256	30869	53352
Total 1930 Expenditures for 25 Townships	17172	49345	20973	5778	82817	31573	57198

FOOT NOTES:
① Includes library expenditures and assessors' salaries.
② Includes Planning Commission expenditures and assessors' salaries.
③ Includes Planning Commission expenditures.
④ Includes assessors' salaries.
⑤ Includes refund of taxes: Newport $23,524; Hanover $29,674.
⑥ Includes salaries and other expenses.
⑦ Includes salaries of Township Manager and clerks.
⑧ Includes expenses of Township Manager, Clerks, and Planning Commission.
⑨ Includes library expenditures.
† Includes personnel service and other expense.
‡ Includes election expenditures.
* Includes administrative expenditures.

TABLE I.

FUNCTIONAL COSTS

TOWNSHIP	8	9	10	11	12	13	14	15	16	17
	GOVERNMENTAL EXPENDITURES									
	PROTECTION OF LIFE AND PROPERTY			HEALTH AND SANITATION		RECREATION	HIGHWAYS			
	Police	Fire	Bldg. & Plumbing Inspection	Board of Health	Rubbish Collection		Highway Maintenance		Street Lighting	Engineering
							Salaries	Expense		
Population of 10,000 and over										
1933 Upper Darby	144234	31661	3814	8236	37797	2203	36017	27792	68107	17255
1930	148246	36365		14983	46868		81995	60569	69892	
1933 Lower Merion	209325	53019	9629	27014	50351	14404	58566	92334	54759	-
1930	200346	43403	12028	25839	41655	4370	65232	149742	39767	-
1933 Coal	135	13563	-	2709	3215	-	17935	24102	5000	2250
1933 Abington	59550	20181	4366	6951	20092	21161	27696	14728	28000	1098
1930	63806	26095	6993	8677	24185	10280	9020	32323	23004	-
1933 Hanover	32277	24039	-	1718	-	-	10142	1172	-	96
1933 Cheltenham	64729	19616	66	5590	14833	10331	21454	43767	29498	-
1930	67947	20334	193	8016	15833	14843	32523	88526	22703	1380
1933 Mt.Lebanon	28692	22143	-	1265	15300	10114	13259	6353	15728	211
1933 Stowe	19454	1519	-	1238	8167	-	8515	1510	-	2359
1933 Penn	2160	13498	-	1239	-	-	13295	4613	17776	4547
1933 Harrison	6705	3794	-	550	1354	-	14708	1733	4670	-
1933 Newport	14227	16926	-	5108	-	-	13064	6746	2927	785
1930	9494	12309	-	3479	-	-	16228	6627	4817	1050
1933 Whitehall	4131	6350	-	854	162	-	6000	25745	11600	1867
1930	3481	4139	-	993	-	-	-	22457	10866	-
Population 5,000 to 10,000										
1933 Shaler	2762	354	-	1157	-	-	10971	7113	240	1078
1930	4408	1998	-	1377	-	-	23407	20384	243	4503
1933 South Fayette	252	828	-	500	-	-	4729	3605	-	-
1933 Mifflin	2267	201	-	597	-	-	2003	6803	-	-
1930	9010	4392	-	1171	-	-	522	1821	2335	-

	8	9	10	11	12	13	14	15	16	17
1933 Elizabeth	-	2197	-	829	-	-	4985	2372	-	-
1930	-	1500	-	996	-	-	22151	638	-	-
1933 Baldwin	1420	113	-	987	492	-	4177	2826⑥	511	-
1930	2170	4071	-	1012	1279	-	-	5432⑥	5465	-
1933 Swatara	173	1875	-	416	-	-	1851	2533	2849	37
1930	130	1190	-	384	-	-	4426	12407	2909	210
1933 Scott	67	3186	-	120	-	-	3790	2788	5195	610
1933 Collier	-	1626	-	465	-	-	3989	2266	2166	-
1933 East Bethlehem	1439	414	-	432	-	-	3863	2167	-	-
1933 North Versailles	-	642	-	807	-	-	6525	2479	-	-
1933 Springfield (Montgomery County)	11841	7522	-	1605	-	-	1269	3724	8704	3600
1930	16039	7020	-	1222	-	-	15424	22578	8601	3687
1933 O'Hara	3464	2098	237	496	-	-	7793	6517	-	394
Population 3,000 to 5,000										
1933 Spring Garden	3428	10734	-	200	3232	-	3340	8084	3154	946
1933 Springfield (Delaware County)	10359	7285	241	801	1076	-	3090	6612	6021	-
1930	11532	9276	367	943	1400	-	5806	19317	5168	12
1933 Plymouth	-	2125	-	457	-	-	2105	3094	3627	-
1930	-	2030	-	296	-	-	4323	4971	3278	-
1933 Jefferson	-	-	-	973	-	-	4743	2241	-	60
1933 Upper Moreland	5838	1715	-	2733	739	-	-	9080	2877	-
1930	4531	500	-	334	-	-	5772	14056	-	-
1933 East Deer	3974	1105	-	239	1582	-	3235	2424	4126	432
1930	5266	780	-	505	3120	-	4580	2879	4260	113
1933 Tinicum	4673	2058	-	1135	-	-	3134	6852⑥	3563	-
1930	5694	3100	-	1613	1394	-	6665	5578	2869	-
1933 Lower Chichester	565	2220	-	139	790	-	-	2731⑥	1654	-
1933 Lawrence Park	1838	4070	19	878	960	1045	977	4108	5424	-
1930	3067	6772	35	993	2568	3191	900	4170	8493	250
1933 Reserve	-	590	-	202	-	-	-	2854⑥	3032	-
1933 Lackawanna	966	320	-	110	-	-	1759	787	200	-
Population Under 3,000										
1933 Annville	9	1992	-	136	-	-	742	3719	2876	-
1933 Nether Providence	-	1374	-	533	-	-	-	6619	4723	50
1933 Darby	2001	-	-	647	-	-	920	340	-	-
1933 West Norriton	-	3066	-	446	-	-	2256	3147	2684	-

	8	9	10	11	12	13	14	15	16	17
1930	-	1479	-	529	-	-	3534	11263	2597	-
1933 Rochester	239	673	-	100	-	-	-	2469†	594	-
1930	-	-	-	-	-	-	600	992	-	-
1933 Patterson	-	1038	-	103	-	-	2332	1643	-	-
1930	-	2372	-	146	-	-	1389	2218	1610	62
1933 Braddock	147	1464	47	205	-	-	641	193	1652	-
1933 Springdale	-	50	-	182	-	-	543	87	-	-
1930	-	-	-	200	-	-	-	1313⑥	-	-
1933 Neville	6316	4268	-	639	3462	-	9	690	2361	300
1933 Leet	235	672	-	70	1110	-	-	1101⑥	920	-
1933 Crescent	100	-	-	-	-	-	1826	661	1748	-
1933 White	-	75	-	-	-	-	-	774⑥	1017	-
1930	-	-	-	-	-	-	716	1759	1684	-
1933 West Lebanon	-	243	-	100	-	-	316	1134	1105	-
1930	-	324	-	181	-	-	-	4403⑥	1218	-
1933 Borough	-	66	-	65	-	-	-	109⑥	1146	-
1930	-	-	-	100	-	-	-	940	1090	-
1933 South Versailles	-	-	-	-	-	-	-	312⑥	-	-
Total 1933 Expenditures for 50 Townships	649992	294568	18419	81976	164714	59258	328564	366649	312234	39270
Total 1933 Expenditures for 25 Townships	541580	183584	18135	66583	128084	49144	206041	277012	239379	26149
Total 1930 Expenditures for 25 Townships	555167	189449	19616	73989	138302	32684	305213	497363	222869	11267

TABLE I.

FUNCTIONAL COSTS - Continued

TOWNSHIP	18	19	20	21	22
	GOVERNMENTAL EXPENDITURES				
	Water Works	Interest	Miscellaneous	Total Governm't'l. Expend.	Per Capita Governm't'l. Expend.
Population of 10,000 and Over					
1933 Upper Darby	-	177369	4277	616126	13.21
1930	-	150016	6372	670288	14.38
1933 Lower Merion	-	16363	20041 ①	656185	18.66
1930	-	20411	15135 ①	667746	18.99
1933 Coal	-	26115	1210	115138	5.78
1933 Abington	-	35237	4241 ②	276745	14.84
1930	-	8933	3093 ③	242193	12.99
1933 Hanover	-	43445	1955	132675	7.47
1933 Cheltenham	-	74775	4163	314334	19.98
1930	-	81307	383625	383625	24.39
1933 Mt. Lebanon	-	92781	2442 ⑨	238819	17.82
1933 Stowe	-	31026	-	87078	6.51
1933 Penn	-	11080	3561	79172	5.94
1933 Harrison	-	22360	1118	65228	5.27
1933 Newport	-	13608	1231	91410	7.56
1930	-	32079	3105	102124	8.45
1933 Whitehall	-	6193	4162	73550	6.87
1930	-	5768	2545	55006	5.14
Population 5,000 to 10,000					
1933 Shaler	14599	21690	5640 ④	75721	7.91
1930	10016	9504	543	90318	9.43
1933 South Fayette	-	-	370	13324	1.46
1933 Mifflin	-	9029	685	32172	3.94
1930	-	9311	683	39578	4.85
1933 Elizabeth	-	30	753	15275	2.04
1930	-	-	949	30813	4.12
1933 Baldwin	-	6934	2346	26043	4.09
1930	-	5830	261	32711	5.13
1933 Swatara	-	6	616	12070	1.91

	18	19	20	21	22
1930	-	12	700	24327	3.41
1933 Scott	-	7125	150	30942	4.99
1933 Collier	-	1	214	13750	2.26
1933 East Bethlehem	-	140	423	11355	1.97
1933 North Versailles	-	2658	405	19079	3.36
1933 Springfield (Montgomery County)	-	3538	1106	50632	9.14
1930	-	794	450	83678	15.10
1933 O'Hara	-	80	1383	26826	5.23
Population 3,000 to 5,000					
1933 Spring Garden	-	455	1116	37414	8.00
1933 Springfield (Delaware County)	-	13040	893	55975	12.20
1930	-	15401	536	78096	17.01
1933 Plymouth	-	-	937	14344	3.28
1930	-	-	1198	18646	4.27
1933 Jefferson	-	-	313	11287	2.73
1933 Upper Moreland	-	720	2558	33125	8.30
1930	-	-	1140	29944	7.51
1933 East Deer	8459	6429	800	41093	10.46
1930	21172	3778	585 ‡	58595	14.92
1933 Tinicum	-	3255	-	30657	8.45
1930	-	4110	-	36637	10.09
1933 Lower Chichester	-	3872	180	14650	4.22
1933 Lawrence Park	-	2860	410	25212	7.78
1930	-	3184	446	37949	11.71
1933 Reserve	5542	3256	48	18844	6.06
1933 Lackawanna	-	77	331	5879	1.91
Population Under 3,000					
1933 Annville	-	1311	219	12225	4.08
1933 Nether Providence	-	1269	804	17911	6.32
1933 Darby	-	102	290	6054	2.18
1933 West Norriton	-	-	1000 ⑨	16069	6.21
1930	-	584	516	23946	9.25
1933 Rochester	-	648	550	6762	2.84
1930	-	3455	1327	7592	3.19
1933 Patterson	-	1629	402	8981	4.87
1930	-	1416	154	11450	6.20

	18	19	20	21	22
1933 Braddock	-	1114	182	7378	4.11
1933 Springdale	-	7	99	2184	1.40
1930	-	-	337	2690	1.72
1933 Neville	14598	8657	653	52911	34.54
1933 Leet	-	1536	189	6447	5.07
1933 Crescent	-	90	130	5806	5.24
1933 White	-	145	178	3052	2.96
1930	-	169	103	4950	4.80
1933 West Lebanon	1436	174	160	5793	6.29
1930	1820	212	583	9546	10.36
1933 Borough	-	804	-	3298	3.73
1930	-	850	181	4894	4.96
1933 South Versailles	-	-	40	453	1.35
Total 1933 Expenditures for 50 Townships	44634	653033	74977	3,517453	
Total 1933 Expenditures for 25 Townships	24494	394483	57251	2,486808	
Total 1930 Expenditures for 25 Townships	33008	357124	45935	2,746842	

TABLE I.

FUNCTIONAL COSTS - Continued

TOWNSHIP	23	24	25	26	27	28	29	30
	NON-GOVERNMENTAL EXPENDITURES						TOTAL EXPEND-ITURES	PER CAPITA TOTAL EXPENDITURES
	Permanent Improv'ts.	Temporary Loans Repaid	Bond Maturity and Sink. F. Paym'ts.	Miscel-laneous	Total Non-Gov't'l. Exp.	Per Capita Non-G. Exp.		
Population of 10,000 and Over								
1933 Upper Darby	73220	380827	138822	1200	594069	12.74	1210195	25.95
1930	591351	233000	55321	60	879732	19.87	1550020	33.24
1933 Lower Merion	78021	120000	22364	-	220385	6.27	875570	24.93
1930	672932	345000	32740	3238	1053910	29.97	1721656	48.96
1933 Coal	3230	47433	25000	-	75663	3.80	190801	9.57
1933 Abington	37366	90000	27265	820	155451	8.34	432196	23.18
1930	118387	110000	48259	4455	281101	15.07	523294	28.06
1933 Hanover	-	-	56713	40330 ⑤	97043	5.46	229718	12.92
1933 Cheltenham	68083	53000	78095	321	199499	12.68	513833	32.66
1930	182598	-	75128	-	257726	16.38	641351	40.77
1933 Mt. Lebanon	6588	-	71695	-	78283	5.84	317102	23.66
1933 Stowe	1000	1000	6706	-	8706	.65	95784	7.17
1933 Penn	16156	6000	7000	-	29156	2.19	108328	8.12
1933 Harrison	-	18569	7256	36	25861	2.09	91089	7.35
1933 Newport	-	-	53615	23607 ⑤	77222	6.39	168632	13.95
1930	68420	50000	33900	-	152320	12.60	254444	21.05
1933 Whitehall	15552	20929	15806	-	52287	4.88	125837	11.75
1930	41645	18587	33397	-	93629	8.74	148635	13.88
Population 5,000 to 10,000								
1933 Shaler	46383	19925	16201	3356	85865	8.97	161586	16.87
1930	177954	7900	-	196	186050	19.43	276368	28.86
1933 South Fayette	-	-	-	-	-	-	13324	1.46
1933 Mifflin	-	-	-	186	186	.02	32358	3.96
1930	115496	-	8500	353	124349	15.23	163927	20.07
1933 Elizabeth	-	1970	-	-	1970	.26	17245	2.31
1930	-	-	-	10	10	.001	30823	4.12
1933 Baldwin	-	25000	8040	-	33040	5.18	59083	9.27
1930	18494	35795	-	-	54289	8.52	87000	13.65
1933 Swatara	-	500	-	-	500	.08	12570	1.98

	23	24	25	26	27	28	29	30
1930	-	1000	-	410	1410	.22	25737	4.06
1933 Scott	1500	2000	8003	187	11690	1.88	42632	6.87
1933 Collier	-	800	-	-	800	.13	14550	2.39
1933 East Bethlehem	-	-	4065	-	4065	.71	15420	2.67
1933 North Versailles	150	2000	6000	50	8200	1.45	27279	4.81
1933 Springfield(Montgomery County)	87637	-	3000	-	90637	16.36	141269	25.50
1930	43015	29000	-	-	72015	13.00	155693	28.10
1933 O'Hara	-	6000	-	5	6005	1.17	32831	6.40
Population 3,000 to 5,000								
1933 Spring Garden	-	1000	2000	-	3000	.64	40414	8.64
1933 Springfield(Delaware County)	-	5000	15401	2270	22671	4.94	78646	17.14
1930	6712	-	9356	-	16086	3.50	94164	20.51
1933 Plymouth	8247	-	-	-	8247	1.89	22591	5.17
1930	14136	-	-	-	14136	3.24	32782	7.50
1933 Jefferson	-	-	-	9	9	.002	11296	2.73
1933 Upper Moreland	2775	13000	9400	-	25175	6.31	58300	14.61
1930	498	-	-	-	498	.12	30442	7.63
1933 East Deer	864	-	5000	575	6439	1.64	47532	12.10
1930	108534	25536	10000	-	144070	36.68	202665	51.59
1933 Tinicum	-	19040	13250	-	32290	8.90	62947	17.34
1930	-	25000	3820	-	28820	7.94	65457	18.03
1933 Lower Chichester	-	-	-	20	20	.01	14670	4.22
1933 Lawrence Park	10179	-	1601	-	11780	3.63	36992	11.41
1930	6769	8790	1438	10	17007	5.25	54956	16.96
1933 Reserve	-	2000	690	21	2711	.87	21555	6.94
1933 Lackawanna	-	-	-	-	-	-	5879	1.91
Population Under 3,000								
1933 Annville	-	600	1916	55	2571	.86	14796	4.94
1933 Nether Providence	-	2000	1345	-	3345	1.18	21256	7.50
1933 Darby	6817	-	3708	-	10525	3.80	16579	5.98
1933 West Norriton	3439	-	-	-	3439	1.33	19508	7.54
1930	-	22700	-	-	22700	8.77	46646	18.02
1933 Rochester	1243	798	2643	-	4684	1.97	11446	4.81
1930	7948	1500	-	-	9448	3.97	17040	7.16
1933 Patterson	1000	-	572	-	1572	.85	10553	5.72
1930	2335	1000	1022	-	4357	2.36	15807	8.56

	23	24	25	26	27	28	29	30
1933 Braddock	-	8500	1890	10	10400	5.80	17778	9.91
1933 Springdale	-	300	-	-	300	.19	2484	1.59
1930	1550	-	-	-	1550	.99	4240	2.71
1933 Neville	1765	-	2990	-	4755	3.10	57666	37.64
1933 Leet	-	1400	821	-	2221	1.75	8668	6.81
1933 Crescent	-	-	-	-	-	-	5806	5.24
1933 White	-	-	-	-	-	-	3052	2.96
1930	-	100	-	-	100	.10	5050	4.90
1933 West Lebanon	-	-	1000	-	1000	1.08	6793	7.38
1930	-	-	1515	-	1515	1.64	11061	12.00
1933 Borough	-	2000	1000	-	3000	3.39	6298	7.12
1930	3039	400	1000	-	4439	5.02	8833	9.98
1933 South Versailles	-	-	-	-	-	-	453	1.35
Total 1933 Expenditures for 50 Townships	471215	851591	620873	73058	2016737		5534190	
Total 1933 Expenditures for 25 Townships	434009	752289	413075	32335	1631708		4118516	
Total 1930 Expenditures for 25 Townships	2181813	915308	315396	8732	3421249		6168091	

TABLE II.

SUMMARY OF FUNCTIONAL COSTS - 1933

FOR 50 TOWNSHIPS, TOTAL POPULATION 378,702

	FUNCTIONAL COSTS	Amount	Per Capita	Percent of Total Costs
GOVERNMENTAL	Commissioners' Salaries	$ 52,300	$ .14	.94 %
	Secretaries' Salaries	91,013	.24	1.64
	Secretaries' Expenses	34,693	.09	.63
	Auditors' Sal. & Exp.	13,146	.03	.24
	Treasurers' Sal. & Exp.	117,225	.31	2.12
	Solicitors' Sal. & Exp.	51,100	.13	.92
	Public Property	69,688	.18	1.26
	Police	649,992	1.72	11.75
	Fire	294,568	.78	5.32
	Bldg. & Plumbing Inspection	18,419	.05	.33
	Board of Health	81,976	.22	1.48
	Rubbish Collection	164,714	.43	2.98
	Recreation	59,258	.16	1.07
	Highway Salaries	328,564	.87	5.94
	Maintenance Expense	366,649	.97	6.63
	Street Lighting	312,234	.82	5.64
	Engineering	39,270	.10	.71
	Water Works	44,634	.12	.81
	Interest	653,033	1.72	11.80
	Miscellaneous	74,977	.20	1.35
	Total Gov. Expen.	3,517,453	9.29	63.56
NON-GOV'TAL	Permanent Improvements	471,215	1.24	8.51
	Temporary Loans Repaid	851,591	2.25	15.39
	Bond Matur. & Sink. F. Pay'ts	620,873	1.64	11.22
	Miscellaneous	73,058	.19	1.32
	Total Non-Gov. Expen.	2,016,737	5.33	36.44
	GRAND TOTAL COSTS	$ 5,534,190	$ 14.61	100.00 %

cent of the total expenditures.† Furthermore, these figures include the cost items of many townships of a rural character where the amount of money expended for highways is disproportionately large due to the restricted nature of the functions performed. If only the urban and semi-urban units, which render many services in addition to highway maintenance, were taken into consideration* the proportion of mandatory expenditures would be considerably decreased.

Variations According to Population - Table III shows how the different items of expenditure and governmental services vary with changes in population. The most striking trend is the tendency of overhead (general government) costs to increase proportionately as the population decreases. Thus general government costs constitute approximately 5½ per cent of total expenditures in the first group of townships (population - 10,000 or over); approximately 9½ per cent in the second group (population - 5,000 to 10,000); approximately 10 per cent in the third group (population - 3,000 to 5,000); and nearly 14 per cent in the fourth group (population - under 3,000). If the solicitor's salary and expenses are included the difference is even more striking: group one, 6.5 per cent; group two, 11.4 per cent; group three, 11.7 per cent; and group four, 14.3 per cent. This trend shows a need for consolidations among the smaller townships.

A second observable trend is the decrease in the proportion of expenditures for protection of life and property and for health and sanitation, which accompanies a decrease in population and size of the townships. Thus protection of life and property constitutes 19 per cent of the total expenditures in the first group, only about 8 per cent in group two, 16 per cent in group three, and approximately 10 per cent in group four. The failure of an absolute and continuing decrease in the proportion of such expenditures is readily explainable by reference to Table II showing the functional costs of all these townships. In the third group 4 townships, Springfield (Delaware County), Lawrence Park, Spring Garden, and Tinicum, are predominantly urban in character, and hence demand services of this nature. The same situation occurs in group four. These communities, because of their urban character and their close proximity to large urban centers, demand governmental services which are alien to the more rural areas.

It will be observed that in the first group, highway maintenance constitutes approximately 11 per cent of the total expenditures, in the second nearly 18 per cent, in the third 17.5 per cent, and in the fourth 16 per cent. The tendency for highway expenditures to increase sharply in the second group and then to fall off slightly in the remaining two groups indicates the presence of townships in the second and third groups of a predominantly rural character. The functional differences between urban and rural townships are shown in that in the smaller units the importance of such services as police, fire, health, etc., is much less while highway maintenance is relatively higher in the list, while in the larger units the reverse is true.

Analysis of Current Operations - Table IV shows the extent to which the townships are operating within the limitations of their current income. Total revenue receipts are derived from such sources as taxes, special assessments, etc. The income from these sources is of a recurring nature while that from the non-revenue group (bond sales, temporary loans, sale of material, etc.) is sporadic and can in no sense be considered as recurrent income. For this reason the amount received from non-revenue items has been excluded from this table.

Current expenditures exceeded total revenue receipts in 20 of the 50 townships listed. Failure of a township to operate within the limitations of its revenue receipts is usually accompanied either by a decrease in its assets (indicated in Table IV by a decrease in its cash balance), or by an increase in its liabilities (shown by the amount of warrants and bills outstanding), or by a combination of both. This situation, if permitted to continue, must ultimately result in one or more of the following: (a) a higher tax rate; (b) an accumulation of unpaid temporary loans or bills payable; or (c) the flotation of bonds.

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† Several small items of mandatory character such as compensation insurance appear in the miscellaneous group. This item is so small that it would not affect the total percentage of mandatory costs by more than one percent at the outside.

* Application of the same procedure to Tables III A and III B will show that the mandatory expenditures of these townships are much smaller than the figures given here since these townships expend much larger sums for such matters as police, fire, recreation, and the like.

TABLE III. A

SUMMARY OF FUNCTIONAL COSTS - 1933

FOR 50 TOWNSHIPS, BY POPULATION GROUPS

12 Townships, Population over 10,000

	FUNCTIONAL COSTS	Amount	Per Capita	Percent of Total Costs
GOVERNMENTAL	Commissioners' Salaries	$ 23,655	$ .10	.5 %
	Secretaries' Salaries	70,890	.31	1.6
	Secretaries' Expenses	23,652	.10	.5
	Auditors' Sal. & Exp.	9,722	.04	.2
	Treasurers' Sal. & Exp.	75,578	.33	1.7
	Solicitors' Sal. & Exp.	32,548	.14	.8
	Public Property	50,124	.22	1.2
	Police	585,619	2.56	13.4
	Fire	226,309	.99	5.2
	Bldg. & Plumbing Inspection	17,875	.08	.4
	Board of Health	62,472	.27	1.4
	Rubbish Collection	151,271	.66	3.5
	Recreation	58,213	.25	1.3
	Highway Salaries	240,651	1.05	5.5
	Maintenance Expense	250,595	1.09	5.8
	Street Lighting	238,065	1.04	5.5
	Engineering	30,468	.13	.7
	Water Works	------	----	---
	Interest	550,352	2.40	12.6
	Miscellaneous	48,401	.21	1.1
	Total Gov. Expen.	2,746,460	11.98	63.0
NON-GOV'TAL	Permanent Improvements	299,216	1.31	6.9
	Temporary Loans Repaid	737,758	3.22	16.9
	Bond Matur. & Sink. F. Pay'ts	510,337	2.23	11.7
	Miscellaneous	66,314	.29	1.5
	Total Non-Gov. Expen.	1,613,625	7.04	37.0
	TOTAL COSTS	$ 4,360,085	$ 19.03	100.0 %

TABLE III. B

SUMMARY OF FUNCTIONAL COSTS - 1933

FOR 50 TOWNSHIPS, BY POPULATION GROUPS

12 Townships, Population 5,000 to 10,000

	FUNCTIONAL COSTS	Amount	Per Capita	Percent of Total Costs
GOVERNMENTAL	Commissioners' Salaries	$ 15,033	$ .19	2.6 %
	Secretaries' Salaries	8,916	.11	1.6
	Secretaries' Expenses	3,283	.04	.6
	Auditors' Sal. & Exp.	1,758	.02	.3
	Treasurers' Sal. & Exp.	20,628	.25	3.6
	Solicitors' Sal. & Exp.	9,900	.12	1.7
	Public Property	5,949	.08	1.0
	Police	23,685	.29	4.2
	Fire	21,056	.26	3.7
	Bldg. & Plumbing Inspection	237	.00	.04
	Board of Health	8,411	.10	1.5
	Rubbish Collection	492	.01	.1
	Recreation	-----	---	----
	Highway Salaries	55,945	.69	9.8
	Maintenance Expense	45,193	.55	7.9
	Street Lighting	19,665	.24	3.5
	Engineering	7,117	.09	1.3
	Water Works	14,599	.18	2.6
	Interest	51,231	.63	9.0
	Miscellaneous	14,091	.17	2.5
	Total Gov. Expen.	327,189	4.02	57.4
NON-GOV'TAL	Permanent Improvements	135,670	1.66	23.8
	Temporary Loans Repaid	58,195	.71	10.2
	Bond Matur. & Sink. F. Pay'ts	45,309	.56	8.0
	Miscellaneous	3,784	.05	.7
	Total Non-Gov. Expen.	242,958	2.98	42.6
	TOTAL COSTS	$ 570,147	$ 7.00	100.0 %

TABLE III. C

SUMMARY OF FUNCTIONAL COSTS - 1933

FOR 50 TOWNSHIPS, BY POPULATION GROUPS

11 Townships, Population 3,000 to 5,000

	FUNCTIONAL COSTS	Amount	Per Capita	Percent of Total Costs
GOVERNMENTAL	Commissioners' Salaries	$ 6,934	$ .16	1.7 %
	Secretaries' Salaries	8,013	.19	2.0
	Secretaries' Expenses	5,670	.13	1.4
	Auditors' Sal. & Exp.	857	.02	.2
	Treasurers' Sal. & Exp.	13,335	.32	3.4
	Solicitors' Sal. & Exp.	5,721	.14	1.5
	Public Property	5,719	.14	1.5
	Police	31,641	.75	7.9
	Fire	32,222	.76	8.0
	Bldg. & Plumbing Inspection	260	.01	.1
	Board of Health	7,867	.19	2.0
	Rubbish Collection	8,379	.20	2.1
	Recreation	1,045	.02	.2
	Highway Salaries	22,383	.53	5.6
	Maintenance Expense	47,867	1.13	11.9
	Street Lighting	33,678	.80	8.4
	Engineering	1,338	.03	.3
	Water Works	14,001	.33	3.5
	Interest	33,964	.80	8.4
	Miscellaneous	7,586	.18	1.9
	Total Gov. Expen.	288,480	6.83	72.0
NON-GOV'TAL	Permanent Improvements	22,065	.52	5.5
	Temporary Loans Repaid	40,040	.95	10.0
	Bond Matur. & Sink. F. Pay'ts	47,342	1.12	11.8
	Miscellaneous	2,875	.07	.7
	Total Non-Gov. Expen.	112,342	2.66	28.0
	TOTAL COSTS	$ 400,822	$ 9.49	100.0 %

TABLE III. D

SUMMARY OF FUNCTIONAL COSTS - 1933

FOR 50 TOWNSHIPS, BY POPULATION GROUPS

15 Townships, Population under 3,000

	FUNCTIONAL COSTS	Amount	Per Capita	Percent of Total Costs
GOVERNMENTAL	Commissioners' Salaries	$ 6,678	$ .26	3.3
	Secretaries' Salaries	3,194	.12	1.5
	Secretaries' Expenses	2,088	.08	1.0
	Auditors' Sal. & Exp.	809	.03	.4
	Treasurers' Sal. & Exp.	7,684	.30	3.8
	Solicitors' Sal. & Exp.	2,931	.11	1.4
	Public Property	7,896	.31	3.9
	Police	9,047	.35	4.5
	Fire	14,981	.58	7.4
	Bldg. & Plumbing Inspection	47	---	---
	Board of Health	3,226	.12	1.5
	Rubbish Collection	4,572	.18	2.3
	Recreation	-----	---	---
	Highway Salaries	9,585	.37	4.7
	Maintenance Expense	22,994	.89	11.3
	Street Lighting	20,826	.81	10.3
	Engineering	350	.01	.1
	Water Works	16,034	.62	7.9
	Interest	17,486	.68	8.7
	Miscellaneous	4,896	.19	2.4
	Total Gov. Expen.	155,324	6.01	76.5
NON-GOV'TAL	Permanent Improvements	14,264	.55	7.0
	Temporary Loans Repaid	15,598	.60	7.6
	Bond Matur. & Sink. F. Pay'ts	17,885	.70	8.9
	Miscellaneous	65	---	---
	Total Non-Gov. Expen.	47,812	1.85	23.5
	TOTAL COSTS	$ 203,136	$ 7.86	100.0 %

TABLE IV.

ANALYSIS OF CURRENT OPERATIONS

Township	Total Revenue Receipts	Current Expenditures	Cash Balance Beginning of Year	Cash Balance End of Year	Bills and Warrants Outstanding
Upper Darby	$ 680,743	$ 756,148	$ 189,878	$ 167,158	$ 33,456
Lower Merion	871,363	678,549	142,602	258,462	------
Coal	163,912	140,138	185,493	75,540	46,809
Abington	281,280	304,830	90,693	41,972	89
Hanover	231,762	229,718	18,834	21,697	------
Cheltenham	428,213	392,750	80,297	46,512	------
Mount Lebanon	226,195	310,514	134,726	45,303	11,228
Stowe	115,485	93,784	2,488	5,211	1,379
Penn	79,968	86,172	44,074	22,086	4,553
Harrison	70,614	72,520	1,938	665	21,562
Newport	167,890	168,632	1,871	1,131	32,735
Whitehall	66,331	89,356	------	------	------
Shaler	129,094	94,278	53,631	37,579	96
South Fayette	14,098	13,324	2,339	3,583	210
Mifflin	33,816	32,358	4,428	5,930	------
Elizabeth	16,681	15,275	3,696	5,199	67
Baldwin	45,681	34,083	12,306	3,904	86
Swatara	12,836	12,070	------	768	------
Scott	41,123	39,132	2,661	3,337	6,517
Collier	15,705	13,750	646	2,634	------
East Bethlehem	14,810	15,420	717	106	242
North Versailles	21,519	25,129	8,964	3,365	6,940
Springfield (Montg. Co.)	70,503	53,632	15,674	32,285	------
O'Hara	34,419	26,831	2,946	10,537	1,002
Spring Garden	39,569	39,414	3,238	10,145	------
Springfield (Del. Co.)	73,617	73,640	12,802	13,472	------
Plymouth	18,799	14,344	5,303	15,817	531
Jefferson	12,923	11,296	2,080	3,707	------
Upper Moreland	42,430	42,525	71,102	73,247	------
East Deer	62,429	46,668	4,461	21,588	303

Tinicum	$ 53,997	$ 43,907	$ 3,799	$ 10,015	------
Lower Chichester	22,792	14,670	2,479	11,808	$ 8,974
Lawrence Park	35,893	26,813	14,145	13,066	11,162
Reserve	18,231	19,555	9,438	8,113	5
Lackawanna	6,200	5,879	------	319	1,700
Annville	13,802	14,196	450	367	95
Nether Providence	23,245	19,256	882	5,065	79
Darby	10,057	9,762	728	7,103	------
West Norriton	20,652	16,069	5,542	6,923	------
Rochester	8,908	9,405	1,012	471	133
Patterson	9,563	9,553	40	86	10,397
Braddock	8,194	9,124	1,613	3,960	------
Springdale	2,875	2,184	351	1,264	55
Neville	62,007	55,901	43,718	48,087	42
Leet	5,173	7,268	250	114	2,332
Crescent	5,700	5,806	1,674	1,571	------
White	2,205	3,052	1,244	532	405
West Lebanon	6,874	6,793	1,528	1,610	------
Borough	4,104	4,298	172	78	------
South Versailles	447	453	12	5	------
TOTALS:	$ 4,404,727	$ 4,210,224	$ 1,188,965	$ 1,053,497	$ 203,183

Many of the townships, such as Lower Merion, Cheltenham, and Shaler, show a decrease in their cash balances even though their total revenue receipts exceeded their current expenditures. Where this situation is found it indicated that the township is either paying for permanent improvements with current revenues or repaying temporary loans accumulated in prior years, or both.

CONCLUSIONS

1. FINDING - Highway maintenance and police protection comprise the two largest items of functional expenditure in the townships of the first class.

2. FINDING - Expenditures for debt service account for more than one-third of the total expenditures.

3. FINDING - Mandatory expenditures constitute less than forty-five percent of the total outlay of these townships.

4. FINDING - General governmental costs increase proportionately as population decreases.

5. FINDING - Decrease in population is accompanied by a decrease in the amount of expenditures for the protection of life and property, and health and sanitation. It is also accompanied by an increase in the relative importance of expenditures for highway maintenance.

6. FINDING - There is a strong trend toward decreasing the assets and increasing the liabilities of the townships resulting from the tendency of current expenditures to exceed total revenue receipts.
   RECOMMENDATION - In view of the serious and continuing financial difficulties which now confront many of the first class townships, the consolidation and annexation of the weaker units should be undertaken under some general plan. It is recommended that a legislative commission prepare such a plan, in consultation with township officers and others.

CHAPTER IX

CONCLUSIONS

The purpose of this study has been to indicate the governmental problems of the First Class townships and the relationship of the Commonwealth to these problems. Obviously the necessity for thoroughness compelled a limitation of the study to a restricted field. Consequently, such matters as the administration of elections, justice, and the collection of taxes have been touched upon only incidentally or not at all. These latter phases of local government are so broad in their scope that any adequate treatment necessarily requires the focusing of research upon each phase. This is amply demonstrated in the excellent work of Dr. Nicholson in regard to collection of local taxes in Pennsylvania.† The author calls attention to the fact that the data here presented upon the collection of taxes in the First Class township support the conclusions and recommendations set forth in Dr. Nicholson's study.

The preceding chapters have set forth the problems arising from the classification, internal organization, and distribution of powers in respect to first class township government in Pennsylvania. Emphasis has been placed upon the local governmental structure as an operating mechanism and an attempt has been made to indicate the sources of difficulty which have led many to the assumption that our local governmental system is inefficient and generally outmoded. Upon closer scrutiny it has been seen that many of these difficulties are not necessarily inherent in our present system of local government but are eradicable by proper remedial measures.

The specific problems of governmental organization and operation having already been set forth with suggested remedial measures at the close of each chapter it now remains to summarize in broad outline the results of this survey.

Classification - The present basis of classification (300 inhabitants per square mile) is fundamentally unsound and is the root of many of the problems faced by first class township government. It is defective in three respects: (a) Density of population will not serve as an adequate criterion for determining the type of local government for a given community since it provides no measure of the extent of taxable resources. Such a basis is likewise defective in that it fails to distinguish properly between those communities which are of a semi-urban character in contrast to those which are primarily rural or wholly urban. (b) The determination of township status upon the basis of electoral action vitiates the purpose of classification. This objective is to provide within each class of local government a homogeneity of conditions which will permit of the creation of a governmental structure peculiarly suited to those conditions. (c) The failure to harmonize statutory provisions for the division, consolidation, and annexation of townships and parts thereof with the basis of classification subverts the effectiveness of the latter.

The wide diversity of conditions within the group of first class townships is directly attributable to the faulty basis of classification. This diversification, in turn, gives rise to numerous problems of organization and administration which impede the efficient operation of government. To cite one of many instances, each township is required to have an annual audit of its fiscal operations and the code provides that such audit is to be done either by three elective auditors, a court appointed auditor, or a controller. Obviously in the larger townships where fiscal operations are complex and run into large totals only a qualified public accountant is competent for the task. But such an audit is costly and the smaller townships cannot afford to employ such men. Consequently it becomes impossible to set up an adequate auditing process for these townships as a group. The same is true as to the administration of roads, health, sewers and the like. The result is that some of the smaller townships, for political reasons, take advantage of the looseness of the present provisions to saddle their taxpayers with expensive forms of administration not necessitated by local conditions,

† Nicholson, Blake E., Collection of Local Taxes in Pennsylvania, Special Bulletin, No. 1, Pennsylvania Department of Revenue, 1932. See also Alderfer, H. F. The County, published in the Report of the Pennsylvania Local Government Survey, Philadelphia, 1935. Valuable information may also be found in this work in respect to the local administration of elections and justice.

while a few of the larger townships similarly take advantage of the code by utilizing methods of administration which are totally inadequate for the handling of local functions as a method of covering local corruption and inefficiency.

The results of the survey clearly demonstrate the pressing need of a broader basis of classification and a more rigid adherence to the basis determined upon. This proposal calls for further investigation and study of the factors to be included in any new basis of classification and also for the modification of those provisions of the code concerning the creation, division, consolidation, and annexation of townships or parts thereof. This task should be undertaken by a legislative commission.

Internal Organization - The governmental structures within the first class township group reflect the diversity of conditions within the class. The predominantly rural communities have adopted a simplified organization not essentially different from the rural township government which prevailed in the nineteenth century. The more highly urbanized areas have set up a structure which in its complexity and scope rivals that of the third class cities. Between these two extremes are to be found innumerable variations resulting from diversified local needs or political fancy.

This variation of internal organization proceeds directly from the optional character of the first class township code and indirectly from the heterogeneous character of the communities within this class. To justify this variation it is argued as follows: The first class township code is permissive in character and vests broad discretionary powers in the local officials as to the type of governmental organization to be established because the diversity of conditions within these communities makes extensive optional powers necessary. This reasoning results in a vicious circle, the diversity requires an optional code, the code must be optional to meet the diversity. Why the diversity This query breaks the circle. In answer to this latter question it is said that "the people" should be permitted to choose their own form of government. If this means that the people of any local area are to be free to choose their own form of government without any restrictions, then the procedure of classifying all forms of local government should be abandoned. What it should and must mean is that the people of a given community should be permitted to select from among alternate forms of government, specially designed to meet the needs of the particular type of community, the form which they feel most desirable. There is a wide gulf between the procedure of designing alternate forms of government peculiarly suited for administering the needs of semi-urban semi-rural communities and that of lumping together a host of governmental powers and offices adaptable to any type of community and then issuing a certificate entitling the holder to design his own form of government.

The problems created by the optional character of the code and the consequent variation in internal organization proceeding therefrom may be grouped as follows: (a) The securing of legislation relating to this class of government. The rural townships have little sympathetic understanding for the needs and proposals of the urban units and vice versa. Therefore, every proposed change in the code is accompanied by opposition or non-interest upon the part of the one group and active advocacy by the other. Amidst these discordant elements the legislature is compelled to enact legislation which will be suitable to some communities and not harmful to others. The result is usually a compromise which takes the form of an additional optional provision to the code. (b) The exchanging of views and experience derived from the practical operation of government. The lack of community of interests prevents any substantial improvement in the administration of local government by the exchange of information among the local officials. Methods of accounting, of road administration and the like must of necessity vary with the character of the township. Where this variation is extreme little can be gained by a comparison of experiences. This is a serious handicap upon the State Association of Township Commissioners in its efforts to play a more constructive role in the field of local government.

The eventual solution to this problem awaits the securing of a sounder basis of classification already alluded to. When reasonable homogeneity is obtained consequent to such reclassification, the present optional features of the code should be abandoned. A form or forms of government designed to function in a semi-urban community should then be substituted for the present conglomeration of haphazard permissive powers and offices. The experience of the better managed townships indicates that such form

should closely resemble that of the township manager type.

Administration and the Distribution of Powers - The code places all legislative, policy determining powers in the board of township commissioners. In addition thereto it invests the board with a large number of administrative functions and the power to create offices for the performance of such administrative duties or to delegate such duties, in its discretion, to other local officials. The commissioners can accordingly exercise extensive authority in determining the character of the administrative machinery and the distribution of powers among the local offices.

That this authority is exercised is amply demonstrated by the extreme differences in the degree of centralization of administrative responsibility. In a number of the townships all administrative responsibility, except that specifically placed in particular offices by the code, has been placed in either a township manager or the township secretary who in turn is directly responsible to the commissioners. At the opposite extremity are to be found those townships in which all such administrative supervision has been retained by the commissioners as a board. Among other methods may be listed those of: (a) Dividing the township into wards and vesting all administrative duties in each ward commissioner. (b) Placing administration of a major function viz., highways, sewers, finances, etc., under the supervision of one of the commissioners. (c) Placing the administration of a major function under the supervision of a committee of the board of commissioners viz., committee on public safety. Many combinations of these methods are encountered, as where administrative control of highway construction and maintenance is vested in each ward commissioner and all other administrative authority centered in the board of commissioners or where administrative control is placed in the office of township secretary who is in turn made directly responsible to each of several board committees which are empowered to exercise a general supervisory power over a major function.

The decentralization of administrative responsibility is characteristic of the great majority of townships. This tendency added to the decentralization provided for by the code is largely responsible for the expensive and inefficient administration of roads, health, public safety and the like. The evils inherent in such division of administrative responsibility are further aggravated by the employment of part-time, poorly compensated, and inexperienced personnel. Here, too, the diversification within this class of government is reflected in the type of administration and personnel employed. The more urban townships with greater taxable resources have, without exception, tended to centralize administrative responsibility in one office such as the township manager, secretary, or controller and have employed full-time, competent and experienced personnel. The more rural communities have tended to set up an extremely decentralized administration manned by part-time personnel.

A highly centralized administration is needed for the first class township. This might take either the form of a managerial system or a concentration of administrative control in either the township secretary or controller. Each of these methods has been suggested by the local officials themselves. However, as long as rural townships with small taxable resources are permitted to remain within the class, centralization of administrative control remain impossible since these communities have neither the necessity nor the resources for such a system and the competent personnel which it necessitates. Here again the need for greater homogeneity within the class becomes an inevitable prerequisite to the adoption of any fundamental remedial measures.

Financial Administration - The code has, unfortunately, divided responsibility in fiscal matters among several offices. The collection of taxes, the payment of moneys, and the accounting for the same is veste in the township treasurer. The process of budget preparation and budget making has been vested in the board of commissioners. The responsibility for the accounting of expenditures and the checking of the same against appropriations has been placed upon the township secretary. The evils of this decentralization appear in the well nigh universal absence of complete and accurate data on local fiscal operations. In a small number of townships this handicap has been surmounted in part by a close cooperation between the township secretary and treasurer and by the practice of charging the secretary with responsibility for budget preparation and the making of purchases.

The code also fails to provide for any method of accounting or reporting other

than to stipulate that these townships shall annually report their fiscal operations concerning highway matters to the State Highway Department upon such forms as the latter shall provide. In practice this has resulted in totally inadequate and inaccurate accounting and reporting practices. The same is true of budgetary practice. Obviously there can be no reliable data on functional costs without an adequate accounting, budgeting and reporting system.

There is a great need for functional cost accounting in these units as a means of planning fiscal operations and of testing administrative efficiency. The failure of the local units to take any real initiative in this matter necessitates the establishment of a State bureau to institute, maintain, and supervise budgeting, accounting, reporting, and auditing practices and forms. Such a bureau by a continuous experience and with capable personnel could establish the most efficient and least costly procedures and forms. By a constant program of educating and supervising the local officials in charge of fiscal operations, accurate and complete data could be made available at all times. Finally, by means of establishing uniform classifications and forms the data could be assembled and published, thus providing local officials and taxpayers with comparative functional costs. Such data on comparative costs would be a powerful stimulus to improvement in methods.